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Japan

Officials View Appointment of G-7 'Sherpa'

OW0303111393 Tokyo KYODO in English 1059 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—The selection of former U.S. State Department official Robert Fauver as Washington's "sherpa" at planning sessions prior to the Tokyo economic summit of major industrial nations signals continuity in American diplomacy, officials said Wednesday. Fauver, a former undersecretary of state for economic affairs, has been unofficially named U.S. "sherpa," a tag given to the Group of Seven (G-7) officials who plan the annual meeting, U.S. diplomats in Tokyo said.

A Japanese Finance Ministry official said the selection of Fauver, a deputy to former Secretary of State James Baker, indicates President Bill Clinton is seeking continuity in foreign policy. Fauver, a co-chairman of Japan-U.S. Structural Impediments Initiative (SII) talks on eliminating nontariff barriers to trade and investment, is well versed in Japanese politics, said the Japanese official, speaking on condition of anonymity.

The Foreign Ministry had been waiting for Washington's decision on a pre-summit representative before it set up the first sherpas' meeting, expected sometime soon. The G-7 members are the United States, Japan, Germany, France, Italy, Britain and Canada.

SDPJ Lobbies in U.S. for Rice Protection

OW0303021493 Tokyo KYODO in English 0147 GMT 3 Mar 93

[Text] Washington, March 2 KYODO—A Japanese opposition party delegation asked U.S. Government and agriculture industry leaders Tuesday to support Japan's stance against a proposal that would force it to lift a ban on rice imports. The appeals from the delegation organized by the Social Democratic Party [of Japan—SDPJ] (SDP), Japan's No. 1 opposition party, came in a series of meetings with David. R. Graves, president of the U.S. Rice Millers Association, U.S. House of Representatives Agriculture Committee chairman Kika de la Garza, and other agriculture officials.

The proposal, put forward by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), calls for replacing all nontariff trade barriers such as import bans with tariffs that would be lowered progressively. It is one of the key proposals to wrap up the stalled Uruguay Round of GATT talks that began in 1986.

Members of the delegation told the U.S. officials that Japan has special circumstances that warrant its ban on rice imports, including the world's lowest rate in self-sufficiency in food and the role of rice paddies in protecting the environment. The U.S. officials reportedly turned a deaf ear to the claims, stressing that Japan must open its rice market to bring a successful conclusion to the Uruguay Round.

Ron Brown Seeks Open Semiconductor Market

OW0303045393 Tokyo KYODO in English 0401 GMT 3 Mar 93

[By Antonio Kamiya]

[Text] Washington, March 2 KYODO—Commerce Secretary Ron Brown urged Japan on Tuesday to further open up its markets to U.S. microchips and hinted that the United States will retaliate unless its producers can sell as much in Japan as elsewhere in the world.

Speaking to a group of top executives of the U.S. semiconductor industry, Brown took a tough stand on Japanese trade practices and recalled how Washington took "harsh action" in the 1980s to end Japanese dumping of semiconductor products in the U.S. "We must be prepared to act again—in Japan or any other market," Brown said in an address to the U.S. Semiconductor Industry Association.

While asserting that the ultimate U.S. goal is to achieve a market share in Japan "commensurate with our worldwide competitive position," Brown said the immediate U.S. concern is to make sure that U.S. microchip makers can capture at least 20 percent of the Japanese market. The 20 percent target is the centerpiece of a simmering dispute between Tokyo and Washington over the terms of a semiconductor agreement concluded between the two countries in July 1991.

Pressure is mounting within the U.S. semiconductor industry to impose sanctions on Japan as both U.S. and Japanese officials have said foreign semiconductor makers are unlikely to have achieved a 20 percent share of the Japanese market by the end of 1992. "Sanctions are still part of the equation," association spokesman Thomas Beermann told KYODO News Service.

Beermann said the association is unlikely to decide on any course of action until the market share figures for the last quarter of 1992 are released, possibly in mid-March.

Brown said the U.S. "must see" that Japan fulfills the terms of the 1991 semiconductor pact but stopped short of saying how Washington might act.

Asked if the U.S. would retaliate against Japan, he dismissed the suggestion as "inflammatory rhetoric. We expect Japan to live up to its agreements," Brown said. Amplifying his remarks later in a brief encounter with reporters, Brown said the U.S. will "increase pressure to make sure the agreement is lived up to."

Brown told the U.S. semiconductor executives that the U.S. wants a fair crack of the whip in the Japanese market and is not seeking "quotas or artificial support" for U.S. semiconductor manufacturers. "When every market in the world—outside Japan—prefers your products, I have to conclude that we are facing unfair barriers," Brown said to enthusiastic applause from the audience.

The commerce secretary promised to work closely with the U.S. semiconductor industry to evaluate the U.S. objectives in the Japanese market. The U.S. captured 41 percent of the worldwide semiconductor market last year, against 15 percent or so in the Japanese market.

MITI Criticizes U.S. Decision on LCD's

OW0203235493 Tokyo KYODO in English 2341 GMT 2 Mar 93

[Text] Tokyo, March 3 KYODO—The Japanese trade ministry expressed strong objections Wednesday to a U.S. decision that active-matrix liquid crystal displays (LCD) imported from Japan are injuring the U.S. industry. "The decision is extremely unfair," said an official of the Ministry of International Trade and Industry.

"There could be no cases of dumping damaging the U.S. industry," he said, noting that no manufacturers in the United States can make such high-definition LCDs. "The active-matrix types are indispensable for U.S. computer and other high-technology makers, and the decision will be a minus not only for Japanese companies but also for the U.S. industry," he said.

A U.S. Government trade panel decided Tuesday to continue a 63 percent import tax on active-matrix flat-panel displays, though it withdrew a lower tariff on electroluminescent LCDs.

Sharp Corp. issued a comment that the U.S. dumping decision was very regrettable, and that it may be doubtful from the viewpoint of the U.S. computer makers using Japanese active-matrix LCDs. Sharp continues to hope the U.S. will examine the matter further and come up with "a reasonable" decision, company officials said.

The U.S. decision that the Japanese exports of the products were injuring the U.S. industry is a severe blow for Sharp, one of Japan's largest LCD exporters. The company has already laid plans to invest some 25 billion yen to expand production of active-matrix LCDs, which are expected to become the mainstream of LCDs in near future, at its factory in Tenri, Nara Prefecture.

Pollees Give Opinions of Clinton, Policies

OW0203162293 Tokyo KYODO in English 1508 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—Ninety-seven percent of a group of Japanese pollees said they know of U.S. President Bill Clinton and 62 percent responded they have a friendly feeling toward him, a private research company said Tuesday. According to a survey conducted by the Tokyo-based Japan Research Center in early February, 1,940 out of 2,000 pollees aged over 18 replied that they know of Clinton's inauguration as president of the United States and 1,240 said they are well disposed toward him.

As for the bilateral relationship, however, only 6.5 percent responded that the Clinton administration will contribute to promotion of the Japan-U.S. relationship, while 21 percent expect relations to worsen, the survey said.

Fifty-four percent responded that the U.S. administration's trade policies toward Japan will not help rectify the bilateral trade imbalance, far exceeding the 4 percent who expected that they will improve the situation.

Group Formed To Study Currency Redenomination

OW0203084393 Tokyo KYODO in English 0808 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—Lawmakers of the ruling Liberal Democratic Party formed a forum Tuesday to study the issue of redenomination of the Japanese yen. The group said it will conduct a comprehensive study on the possibility of redenominating the Japanese currency as a means to promoting internationalization of the Japanese yen and elevate its international status amid the continuing trend of the yen's appreciation.

Hideyuki Aizawa, former head of the Economic Planning Agency who was named chairman of the group, told reporters he is aware of conflicting views on the issue, but he hopes redenomination of the Japanese currency will create new demand to help stimulate the economy. The group was formed by 36 LDP members of both houses of the Diet.

Chief Instructs SDP To Revise Seoul Policy

OW0203144393 Tokyo KYODO in English 1350 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO - Japan's No. 1 opposition Social Democratic Party (SDP) [of Japan] [SDPJ], which has previously backed communist North Korea, will soon start a full revision of its South Korea policy, party officials said Tuesday.

SDP Chairman Sadao Yamahana gave instructions to a meeting of the party's shadow cabinet to seek a more realistic policy and opening broad exchanges with Seoul, the officials said. "A long-pending problem of our party is how to promote amicable exchanges with the South Korean Government, its political parties, and in other areas," Yamahana said.

Yamahana also told the meeting that he hopes [for] an early visit to Seoul.

Along with discussion of the SDP stance toward Seoul, relations with North Korea will be reviewed, the officials said. They said the shadow cabinet plans to draft the new South Korea policy independently from the party's committee on Korean affairs.

Yamahana signaled a major policy change when he urged the national party congress in December 1992 to recognize the South Korea-Japan treaty of 1965 which normalized bilateral relations. The matter will be discussed at a March 7-8 national meeting of prefectural secretaries general of the party in Atami, Shizuoka Prefecture.

Observers said Yamahana urged reviewing the party's South Korean policy as he intends to expand exchange with South Korean leaders including President Kim Yong-sam, politicians of the ruling Democratic Liberal Party, and business representatives.

Endo Hopes To Resume DPRK Negotiations

OW0303135393 Tokyo KYODC in English 1331 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—Japan's top negotiator in normalization talks with North Korea expressed hope Wednesday that negotiations, stalemated since last November over the issue of international inspection of Pyongyang's nuclear facilities, will soon resume.

In an interview with KYODO News Service, Tetsuya Endo said he favors trying to clarify suspicions about North Korea's nuclear weapons programs in parallel with the negotiations on diplomatic relations between the two countries. Endo, who was appointed as the Japanese representative in the talks with North Korea, also pointed to the fact that the two countries continued the talks despite the issue of Pyongyang's nuclear capability.

The negotiations started in January 1991 and were suspended last November mainly because of Japanese objections to North Korea's refusal to accept inter-Korean inspections of the nuclear facilities.

Endo said he wants North Korea to be positive about resuming the talks, but added that it does not really matter which side calls for them to reopen. On a demand by the International Atomic Energy Agency (IAEA) for a special inspection of North Korea's nuclear facilities, Endo said that Tokyo will not make North Korea's acceptance of the IAEA demand a precondition for resuming the talks.

Last week, the Vienna-based nuclear watchdog body set North Korea a one-month deadline to comply with its demand to allow special inspections of two nuclear sites in Yongbyon, about 90 kilometers north of Pyongyang. North Korea has rejected the demand, claiming that they are conventional "military sites" and not subject to IAEA inspections.

Endo, however, said that Pyongyang should accept the IAEA inspection or make public information on the sites in response to international demands.

Citizens Start 'Comfort Women' Support Group

OW0203210593 Tokyo KYODO in English 1425 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—Some 100 Japanese citizens founded a support group Tuesday offering financial assistance to former Philippine "comfort women" who plan to sue the Japanese Government for compensation, organizers said.

"These women were abducted, sometimes confined to air raid shelters over eight months, and successively raped by soldiers of the Japanese Imperial Army," said lawyer Kenichi Takagi, one of the group's initiators.

Takagi has collected testimonies of Philippine women who were forced to provide sex to Japanese soldiers during World War II. He said the group supports the lawsuit to make known not only the forced prostitution, but also the atrocities Japanese soldiers inflicted on local residents when abducting the women.

Takagi said the group will soon directly urge Prime Minister Kiichi Miyazawa to apologize and negotiate compensation with the victims' representatives. Fifteen lawyers including Takagi will represent five plaintiffs who are the first former comfort women from Southeast Asia to file a lawsuit for compensation.

Historians estimate some 100,000 to 200,000 women from five Asian nations, most of them Korean, were forced to serve as sex slaves for the Imperial Army.

Official Comments on Support for Yeltsin

OW0303110693 Tokyo KYODO in English 1041 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—Centrists in the Russian legislature will back President Boris Yeltsin against conservative rivals if he adopts more moderate economic reforms, a leader of the Civic Union parliamentarian group said Wednesday.

Aleksandr Vladislavlev, deputy chairman of the All-Russia Union of Industrialists and Entrepreneurs, told reporters in Tokyo the group urged Yeltsin to revive an economic reform plan drawn up under the cabinet of former Prime Minister Yegor Gaydar. The measures to cope with current economic crises include a freeze on energy and fuel prices as well as fixing prices for daily necessities. The group further wants Yeltsin to grant the cabinet of Prime Minister Viktor Chernomyrdin more independence, said Vladislavlev, who is in Japan at the invitation of the Japan-Russia Trade Association.

Yeltsin was informed of the conditional support when attending a Civic Union meeting on February 28, but "the president seems not to have made up his mind yet about cooperation with the centrists," he said. Yeltsin was forced to ditch the reformist Gaydar cabinet last December to obtain a truce in his power struggle with the conservative parliament and the supreme Congress of

People's Deputies, both headed by his rival Ruslan Khasbulatov. Both men are at odds over a leadership referendum scheduled for April, in which Yeltsin hopes to win more powers for the presidency.

Vladislavlev said if the power struggles continue, Yeltsin may announce an early general election or even dissolve the legislature. He said considering Russia's economic emergency, a constitutional referendum to determine whether the nation is ruled by the president or the two legislative bodies makes no sense. Vladislavlev said all parties should call a truce and embrace economic reform under the existing Constitution.

'News Analysis' Views Chancellor Kohl's Visit

OW0303000993 Tokyo KYODO in English 2336 GMT 2 Mar 93

["News Analysis"]

[Text] Tokyo, March 3 KYODO—Those who were afraid that Japanese Prime Minister Kiichi Miyazawa and German Chancellor Helmut Kohl would forge a new Tokyo-Bonn axis can sleep soundly again. Kohl's February 26-March 1 visit to Japan was his first official visit in 10 years besides his presence at the 1986 Tokyo summit.

But common ground between Tokyo and Bonn seems not to go much beyond being the world's major exporting nations and their membership of the Group of Seven (G-7) most industrialized nations. "There is no solid foundation for bilateral political ties, there are more diversities than common ground and besides the G-7 there's nothing that ties Germany and Japan," said Takashi Inoguchi, professor of political science at Tokyo University.

Viewing the results of Kohl's visit that ended Monday, it was more concerned about preparing for the July 7-9 Tokyo Economic Summit to be held in Tokyo than deepening bilateral relations and strengthening dialogue. Both leaders agreed that the summit needs to provide a strong stimulus to world economic growth—no surprise considering the recession in all G-7 countries—but they did not go into details about pump-priming measures, a topic that could have caused controversy.

Germany is sensitive about criticism of its central bank's high interest policy, which is widely seen as hampering investment, while Japan wants to avoid demands for an import campaign to reduce its huge trade surplus both with Germany and the European Community. On the other hand, Germany like Japan has its biggest single trade surplus with the United States and is wary of possible trade retaliation by the new U.S. Administration of President Bill Clinton.

That, said Cornelia Meyer, political analyst for the Union Bank of Switzerland, explained why Kohl did not play up the trade issue. "Besides that, Kohl's priority is to drum up Japanese investment for eastern Germany and get more financial aid for Russia. He knows bilateral relations have been sleeping a long time and expects European support at the summit in July will strengthen his position," Meyer said.

Talks between Kohl and Miyazawa reaffirmed that support and aid for Russia will figure high on the agenda in July, but Masamori Sase, professor of international politics at the National Defense Academy, doubts the two leaders are any closer in their basic stance toward Russia. In his talks with Kohl, Miyazawa reiterated that further financial aid from Japan depends on the resolution of a territorial dispute about four islands off Hokkaido which the former Soviet Union seized at the end of World War II.

"Kohl should have come two years ago when concern about the transformation of the Soviet Union and readiness to pour in financial aid was at its height in Europe," said Sase, who specializes in Japan-German relations. "This would have given him much more leverage in Japan, than now when enthusiasm about Russian reforms has cooled," he said.

But even leaving aside the territorial issue, Bonn's and Tokyo's assessment of the situation in the former Soviet Union differs substantially, Sase said. While the German chancellor believes extended financial aid will prevent Russia from returning to despotism and a command economy, most Japanese analysts doubt if help from outside can transform such a vast country after more than 70 years of communism, he said.

Germany and Japan, which have not yet hammered out the pillars of a new relationship for the post-cold war era, try to "camouflage" newly evolving controversies, Sase said. This could be seen when one government official labeled Kohl's visit a "great success," an "encounter between Europe and Asia," while complaining about journalists' focusing on the Russian issue.

According to Sase, former German Foreign Minister Hans-Dietrich Genscher's Eurocentrist foreign policy "which did not take Japan as a diplomatic partner" has further contributed to the estrangement between Tokyo and Bonn.

Now that Bonn suddenly discovers its interest in Asia "15 years too late," as Sase says, Tokyo has mixed feelings about the outcome as "knowledge and understanding about the Asian situation is insufficient among Germany's political and business leaders." To deal with the "diverging national interests and increasingly competitive situation," Germany needs to train more Japan specialists, he said. The annual Japan-German dialogue forum Miyazawa and Kohl agreed upon, with a mix of legislators, business executives, scholars and journalists taking part, is not enough by itself, Sase said.

Aid to Moldova, Armenia, Azerbaijan Begins

OW0303113293 Tokyo KYODO in English 1117 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—Japan will donate three tons of medical supplies to the former Soviet republics of Moldova, Armenia and Azerbaijan, the Foreign Ministry said Wednesday. Officials said one ton of medicine and medical equipment for each country will be on board a chartered plane flying Ambassador Sumio Edamura to their respective capitals. He left Wednesday.

Edamura, Japan's ambassador to Russia and concurrently to several former Soviet republics, will present his credentials to the presidents of Moldova, Armenia and Azerbaijan. The aid is valued at less than 30,000 dollars, but represents the first portion of Japan's 100 million dollar emergency humanitarian aid package pledged to the former Soviet Union for 1993 at an international conference in Tokyo last October.

The officials said that in addition to the "symbolic" aid brought by Edamura, Moldova will get 1.5 million dollars worth of humanitarian aid this year, while Armenia and Azerbaijan will each get aid worth 2 million dollars. It is the first Japanese aid since the three countries became independent. The 50 million dollars extended by Japan last year went to Russia and five Central Asian republics.

Cambodia Election Monitors' Selection Viewed

OW0203162393 Tokyo KYODO in English 1506 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—Civilians will make up more than half of the Japanese contingent monitoring general elections in Cambodian in May on a United Nations peacekeeping mission, government sources said Tuesday. The civilians comprise former members of the Japan overseas cooperation volunteers and members of other volunteer groups that have been involved in overseas work, as well as toose who voluntarily sought participation in the U.N. mission in the war-torn country, the sources said.

The 50-member team will reportedly include more than 10 regional public servants and several officials of the Foreign and Home Affairs Ministries. The government is scheduled to finish selecting the necessary personnel, including a small reserve group, by the end of this week, and to start training them in mid-March, they said.

The sources said the Japanese election monitors will arrive in Cambodia between late April and early May in the run-up to the U.N.-organized general elections set for May 23-25. The Japanese personnel will then head for their respective assigned areas after attending a series of training sessions together with election monitoring personnel from other countries, they said.

The U.N. launched the largest and costliest peacekeeping mission in the world body's history in Cambodia last March. Japan also sent peacekeepers to the country in the first move to send ground troops abroad since World War II.

Taiwanese Arrested for Having Illegal Passport

OW2802015093 Naha NHK Television in Japanese 0315 GMT 24 Feb 93

[Text] A Taiwanese citizen who worked as a guide for Taiwanese tourists in Okinawa was recently taken into custody on charges of illegally using a Japanese birth certificate to obtain his Japanese passport. The Naha Branch of the Fukuoka Immigration Bureau is now questioning the 23-year-old man. According to the Naha Branch, the Taiwanese man arrived in Japan on a tourist visa about ten years ago, and received his Japanese passport in Tokyo by illegally using a Japanese birth certificate he obtained from a Taiwanese acquaintance who acted as broker for the deal. So far he has worked as a guide for Taiwanese tourists in Okinawa, traveling to Taiwan himself occasionally. The Japanese citizen who allegedly sold his birth certificate to the Taiwanese man is reported missing. The Naha Branch plans to track down the Japanese man as well as question the Taiwanese man on charges of violating the Immigration Law.

LDP Unveils Electoral Reform Bill Outlines

OW0203204993 Tokyo KYODO in English 1420 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—The ruling Liberal Democratic Party (LDP) on Tuesday unveiled outlines of two electoral reform bills which are part of a four-bill package of reform legislation scheduled to be presented to the Diet during the current session. The bills separately call for the introduction of a single-seat constituency system for House of Representatives elections and establishment of a parliamentary panel to redraw lower house electoral zones.

The LDP plans to present outlines of two more bills on Thursday seeking a ban on the delivery and receipt of political funds among individual lawmakers and creation of a system to provide subsidies for parties contesting elections, party officials said. The governing conservative party intends to get final party approval for the four bills by the end of this month, the officials said.

The draft bill for a single-seat constituency system for general elections defines political parties allowed to field candidates in national elections as those with five or more members already in the two Diet houses as well as having gained 3 percent or more of the valid ballots in the most recent national election. It would also allow candidates with no party affiliation to run in national elections. Despite stiff resistance within the party, the provision was included in the bill from the viewpoint of the constitutional guarantee of equal eligibility for election, the officials said.

Requirements for candidates of newly formed political parties will continue to be discussed within the LDP, the officials said.

As for election campaigns, the draft bill allows candidates to canvass their constituencies door to door for votes, something which is currently prohibited. But it tightens control over the use of political posters. It also proposes whittling down the number of seats for the lower house to 500 from the current 512.

The draft bill calls for revision of the public office election law to implement these electoral reforms. Under the revised law, penalties would be slapped on violators, which could include family members, relatives and secretaries of candidates as well as the candidates themselves. The proposed penalties include nullification of the electoral victories of candidates and a five-year ban on running again in national elections.

As for the drafting of a bill seeking the redrawing of lower house electoral districts, a seven-member panel will be set up within the first chamber to carry out the task. Of the proposed 500 seats for the lower house, one seat will be allocated to each of the 47 prefectures and the remainder will then be distributed in accordance with the voting populations of the constituencies.

Under the plan, a vote in the least populated lower house constituency should in principle be worth not more than two votes in the most heavily populated district.

In a related development, the No. 1 opposition Social Democratic Party and No. 2 opposition force Komeito agreed Tuesday to jointly present their own package of political reform bills to the Diet, possibly at the end of this month, according to party officials.

The two parties are scheduled to officially reaffirm the accord at a meeting of their secretary generals on Wednesday, the officials said. Their package, in contrast to the LDP plan, is expected to focus on introduction of single-seat constituencies and a proportional representation system for lower house elections, they said.

Fuwa Criticizes Political Reorganization

OW0303115393 Tokyo KYODO in English 1133 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—Japanese Communist Party (JCP) Presidium Chairman Tetsuzo Fuwa on Wednesday criticized recent moves by ruling and other opposition parties toward political reform as the work of conservatives.

Speaking at a meeting of the party's Central Committee, Fuwa said the activities, including forming reform groups and expectations of a new party, come from "conservatives who favor the worst aspects of entrenched politics." He cited recent examples of such politics as calls for a revision of the war-renouncing Article 9 of the Constitution and opposition parties considering approval of the Japan-U.S. Mutual Security Treaty.

He criticized the largest opposition Social Democratic Party [of Japan—SDPJ] (SDP) for deviating from previous policies, such as considering revision of the Constitution and a possible lifting of Japan's rice import ban. "It is important to declare that the JCP is the only party aiming at drastic reform of entrenched politics," he said.

Fuwa repeated the JCP's political reform plan calling for a ban on political donations from enterprises and groups, and electoral changes that would continue multiseat constituencies in the House of Representatives.

Central Committee Chairman Kenji Miyamoto told the meeting the party will fight the next general election with calls to block revision of the Constitution. He said the JCP "wants to fight the next election by calling together all people declaring support for the peaceful and democratic principles of the Constitution."

Miyamoto said the party needs to focus on constituencies where it has a good chance of victory, suggesting a cut in the number of electorates it considers "important." The JCP plans to nominate candidates in a total of 129 constituencies nationwide, of which it regards 84 as important.

Miyamoto said the party had overwhelming internal majority support for the expulsion last December of Sanzo Nosaka, the party's co-founder and former chairman, for the prewar betrayal of a comrade.

Fuwa told party leaders at the meeting he wants to hold the 20th party convention after the next general election.

Support for Miyazawa Cabinet Up 'Slightly'

OW0303004593 Tokyo KYODO in English 2355 GMT 2 Mar 93

[Text] Tokyo, March 3 KYODO—The popularity among voters of the cabinet of Prime Minister Kiichi Miyazawa recovered slightly to 24 percent in a weekend opinion poll, up from 20 percent in December, the mass-circulation ASAHI SHIMBUN reported Wednesday.

A separate weekend survey conducted by business daily NIHON KEIZAI SHIMBUN (Nikkei) put the cabinet approval rating at 21.6 percent, up from 14.7 percent in December.

The ASAHI poll, taken Saturday and Sunday [27, 28 February], covered 3,000 people across the country through interviews, of whom 2,294 offered valid replies. The Nikkei's telephone survey, conducted between Thursday and Saturday, covered 10,000 voters, of whom 6,205 gave valid replies.

The Miyazawa cabinet is disapproved of by 58 percent, down from 63 percent in December, the ASAHI poll showed. The Nikkei put the cabinet disapproval rating at 56.9 percent, down from 66.5 percent.

The ASAHI SHIMBUN said voters harbor a strong sense of dissatisfaction with Miyazawa's political stance and the cabinet's economic policies.

The Nikkei said pump-priming measures and political reform are the two top policy items voters are expecting from the Miyazawa cabinet.

The Japan New Party, which contested an election for the first time in last year's House of Councillors poll, received 11 percent of public support, up from 7 percent in December, the ASAHI said. The Nikkei survey put JNP's support rating at 6.7 percent, up from 2.8 percent.

The governing Liberal Democratic Party is supported by 47 percent, compared with 18 percent for the Social Democratic Party [of Japan—SDPJ], 4 percent each for Komeito and the Japanese Communist Party [JCP], 3 percent for the Democratic Socialist Party [DSP], and 2 percent for the United Social Democratic Party [USDP], the ASAHI said.

The Nikkei poll showed the LDP is supported by 42.8 percent, the SDPJ by 15.1 percent, Komeito 7 percent, the JCP 3.4 percent, the DSP 3.1 percent, and the USDP 0.5 percent.

Mitsuzuka: Party To Form Pump-Priming Package

OW2802103693 Tokyo KYODO in English 0716 GMT 28 Feb 93

[Text] Maebashi, Gunma Pref., Feb. 28 KYODO—A senior official of the Liberal Democratic Party (LDP) said Sunday the ruling party will work out a package of pump-priming measures as soon as possible.

Hiroshi Mitsuzuka, chairman of the LDP's Policy Affairs Research Council, was meeting officials of a local chamber of commerce and industry. He said the LDP "will start working on stimulative steps upon Diet approval of the draft budget (for fiscal 1993) if it concludes that the economy will otherwise follow the worst downturn."

Prime Minister Kiichi Miyazawa is said to have agreed to carry out fresh stimulative measures to buoy the faltering economy and asked the LDP to study such steps.

Parties Unable To Settle on Tax Reductions

OW0203210193 Tokyo KYODO in English 1429 GMT 2 Mar 93

[Text] Tokyo, March 2 KYODO—The ruling and opposition parties remained at loggerheads Tuesday over an opposition demand for tax reductions worth 4.26 trillion yen, leaving Diet business paralyzed, Diet sources said. At a meeting of Diet affairs committee chairmen, the dominant Liberal Democratic Party (LDP) again failed to give a clear-cut answer to the tax cut call by three opposition parties, the sources said.

The LDP reportedly countered the opposition demand by saying that finding alternative revenue to cover tax reduction is a problem and the effectiveness of the proposed income tax cuts as a way of stoking the faltering Japanese economy is doubtful.

In defiance of the LDP's hope to get Diet approval of the 72.35 trillion yen budget bill for fiscal 1993 before the next fiscal year starts on April 1, the three opposition parties—the Social Democratic Party, Komeito and the Democratic Socialist Party—presented their own joint budget revision plan last week.

At Tuesday's meeting, the LDP proposed the formation of a consultative body of the ruling and opposition parties to discuss ways of bringing Japan out of its economic slump and the opposition replied they will consider the proposal among their respective leaderships, the sources said.

Rift Between LDP, Opposition Intensifies

OW0303133593 Tokyo KYODO in English 1258 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—The ruling party and three main opposition parties remained at odds Wednesday on an opposition demand for tax reductions worth 4.26 trillion yen, Diet sources said. At a meeting of secretaries general, Seiroku Kajiyama, secretary general of the ruling Liberal Democratic Party (LDP), said the party will knuckle down to lower tax if the fiscal 1993 budget bill clears the House of Representatives, the sources said. The tax reductions would be put in place to stimulate Japan's economy out of its slump.

But three opposition parties, the opposition Social Democratic Party [of Japan], Komeito, and the Democratic Socialist Party, spurned the LDP offer saying the ruling party failed to give a clear-cut plan to implement the tax cuts, the sources said. Subsequently, the LDP stiffened its stance and resumed lower house Budget Committee deliberations on the budget bill for fiscal 1993 without the presence of opposition Diet members, who since Tuesday have boycotted budget debates to protest LDP rejection of their demands for tax cuts.

The resumption of deliberations was an apparent attempt to get the 72.35 trillion yen budget bill passed through the lower house on Friday as scheduled. The ruling party hopes to get final approval of the bill before the new fiscal year begins April 1.

With panaceas to narrow down the differences between the LDP and the opposition nowhere in sight, the LDP is reportedly poised to put the bill to a vote at Friday's meeting of the lower house Budget Committee, party sources said. Nevertheless, there is growing concern within the LDP that the lower house plenary session could be in turmoil if the ruling party votes on the budget bill without opposition party members present at the first chamber's panel, the sources said.

If the budget bill passes through the lower house, it will then go to the House of Councillors, but will automatically become law in 30 days, according to the Constitution.

The three noncommunist opposition parties last week presented their own joint budget revision plan which would reduce income tax by 3.8 trillion yen and provide some 460 billion yen worth of tax cuts through various policy measures. Under the income tax cut plan, taxpayers would receive a total of 2.8 trillion yen in rebates and 1 trillion yen in year-end refunds through institutional revisions.

At Wednesday's meeting of secretaries general, Kajiyama of the LDP said he is planning to hold a summit meeting of leaders of the parties before hammering out fresh pump-priming measures from late March to early April, Diet sources said. Earlier, the LDP and the three opposition parties held a Diet Affairs Committee chairmen's meeting to discuss the opposition call for tax reductions, only to agree to disagree on the issue, the sources said.

Draft Environmental Law May Prompt New Taxes

OW0303124093 Tokyo KYODO in English 1146 GMT 3 Mar 93

[Text] Tokyo, March 3 KYODO—The final draft of an environment bill could lead to the introduction of environmental taxes and assessments of the ecological impact of certain products, government sources said Wednesday.

The government plans to compile a bill on the basis of the final draft of its proposed basic environment law, a copy of which was obtained by KYODO News Service, and submit it to the Diet during the current session, the sources said. The draft is scheduled to be up for discussion at a meeting of an environmental panel of the ruling Liberal Democratic Party (LDP) on Friday and to win official approval at a cabinet meeting on March 12, they said.

In its general provisions, the draft points to a growing sense of crisis in connection with the current environmental situation across the country. There is an increasing fear that the world's environment, which is crucial to the survival of the human race, could be destroyed by the negative effects of human activities, the draft warns. It aims to seek sustainable economic growth while preserving the environment in line with a policy adopted at the Earth Summit in Rio de Janeiro last June.

On economic measures to protect the national environment, such as taxes, the final draft was somewhat watered down from an earlier draft, due reportedly to stiff opposition from the Ministry of International Trade and Industry. Yet it still vows to gain public understanding and cooperation with the economic measures and simultaneously to study the potential economic impact and the possibility of international cooperation if the measures are actually taken.

The measures could mean introducing charges or taxes on environmentally damaging products or activities, as well as deposits on returnable containers. Some northern European nations have already introduced environmental taxes, and the organization for economic cooperation and development plans to recommend the introduction of such taxes to its member states.

Concerning environmental assessments, which are currently made at the direction of the cabinet, the draft notes the need for "appropriate steps" to be taken to promote such efforts. The Environment Agency denies a plan to incorporate these assessments into legislation, but this could well depend on Diet deliberations on the bill, the sources said.

The draft also seeks to protect the environment by boosting public awareness in this age of mass consumerism and by asking citizens to pay more heed to how they dispose of used or unwanted products. It also calls for more environmental assistance to developing countries and consideration by Japanese corporations doing business abroad.

North Korea

German Magazine: DPRK Produced 1 Nuclear Weapon

SK0303000993 Seoul KBS-1 Radio Network in Korean 2200 GMT 2 Mar 93

[DPA/YONHAP from Hamburg]

[Text] Germany's STERN magazine has reported that North Korea has already produced a nuclear weapon by using the nuclear facilities in Yongbyon. Quoting a secret KGB report dated February 1990, the latest issue of the STERN, which was published yesterday, reported this. The STERN also reported that North Korea secretly acquired 56 kg of plutonium for manufacturing nuclear weapons from the former Soviet Union last year. This is the first time this secret Soviet report was made public.

Meanwhile, North Korea has rejected the International Atomic Energy Agency's plan to conduct special inspections of the Yongbyon nuclear facilities.

Envoy: DPRK Will 'Never Accept' IAEA Demand

SK0203130893 Seoul KBS-1 Television Network in Korean 1240 GMT 2 Mar 93

[Text] Chu Chang-chun, North Korean ambassador to Beijing, said on 2 March that because the International Atomic Energy Agency's request for special inspection of nuclear facilities is based on information provided by the United States, North Korea will never accept its demand.

DPRK Demands Withdrawal of Czech Supervisory Group

SK0203231993 Pyongyang KCNA in English 2246 GMT 2 Mar 93

[Text] Pyongyang, March 2 (KCNA)—The secretary of the Korean Peoples Army and Chinese People's Volunteers side of the Military Armistice Comission (MAC) in a letter addressed today to his counterpart of the U.N. forces side clarified the principled stand of our side regarding the withdrawal of the Czechoslovak delegation from the Neutral Nations Supervisory Commission (NNSC) and the option of a new member state.

"Czechoslovakia had already ceased to exist as a country, making it inevitable to withdraw the delegation representing the country hence, the right to choose new member state of the NNSC entirely belongs to our side under article 37 of the armistice agreement, the letter says.

It goes on:

"Nobody has the right to meddle in the affair that falls within our competence. "However, the Czech Republic, without so much as prior consultation with our side, the one signatory to the armistice agreement, 'decided' to 'succeed' the Czechoslovak delegation at the NNSC and is trying to make us accept it with your side. This is a encroachment upon our sovereignty and interference in our internal affairs. "We are making an effort to choose a new member state of the NNSC, but we will not name and invite Czech which committed an act of infringing upon our sovereignty."

The letter cites concrete data to prove that the MAC and the NNSC have now been paralyzed, reduced to bodies remaining only in name as they are incapable of performing any functions, because the U.N. forces side has systematically destroyed and paralyzed them from long ago, not because of the withdrawal of the Czechoslovak delegation.

"We will make the Czechoslovak delegation withdraw as we have already decided to, and will address the option of a new member state in accordance with the armistice agreement," the letter says, adding:

If your side is really concerned for the future of the armistice bodies, it should take steps, above all to restore the functions of the armistice bodies paralyzed by it, instead of creating complexities through complaint against our just step."

MAC Secretary Letter to UN

SK0203235993 Pyongyang Korean Central Broadcasting Network in Korean 2211 GMT 2 Mar 93

[Text] Our side's secretary to the Military Armistice Commission [MAC] sent a letter to the U.S. side's secretary on 2 March in connection with the fact that the U.S. side had unilaterally canceled the mutually agreed upon 509th secretaries meeting and had been trying to use the issue concerning the withdrawal of the Czechoslovakian delegation to the Neutral Nations Supervisory Commission [NNSC] for its insidious political purposes. The letter is as follows:

A letter from the secretary of the Korean People's Army [KPA] and Chinese People's Volunteers [CPV] side's secretary to the MAC to the UN Command [UNC] side's secretary:

I send this letter to your side in connection with the fact that your side committed an uncourteous act of canceling your side's proposal to convene the 509th secretaries meeting to discuss the withdrawal of the Czechoslovakian delegation to the NNSC. On 16 February your side proposed to our side that the 509th secretaries meeting be convened on 19 February at the MAC conference room without the presence of correspondents to discuss the status of the Czechoslovakian delegation. Considering the nature of the issue your side wants to discuss and the precedents, we proposed that the issue be discussed in closed-door contacts between the two side's secretaries as in the past.

However, your side rejected our proposal, repeatedly insisting on only a closed-door secretaries meeting, and advanced a revised proposal to hold it on 26 February, a day later than our proposed date. Our side agreed on the date proposed by your side, and proposed that a secretaries meeting be held in public with the presence of reporters if such a meeting were held. The Armistice Agreement stipulates that a normal secretaries meeting be an open meeting and that a closed-door meeting be held in special cases as agreed upon by both sides. Therefore, our side's proposal is very just.

Nevertheless, your side ignored our proposal to conduct the meeting under the participation of reporters, and took unreasonable measures to cancel the meeting itself which was proposed by your side. This is an unprecedented act, the first of its kind since the armistice. This is also another act that violates the Armistice Agreement since it ridicules the other side of the armistice and creates an artificial barrier in the smooth operation of the institution of the armistice.

Your side's unreasonable act shows that there is a vulnerable area in your side's position in connection with the problem of withdrawing the Czechoslovak delegation from the NNSC, and that your side is afraid that this will be made public to the world. The problem of withdrawing the Czechoslovak delegation occurred because its position in the NNSC was automatically forfeited when the Czechoslovak Federal Republic was dissolved on 31 December 1992, thus ceasing to exist.

As your side knows, Paragraph 37 of the Armistice Agreement stipulates that both sides of the armistice are allowed to name and invite two countries of the member countries of the NNSC. Therefore, our side named and invited Czechoslovakia and Poland.

Since Czechoslovakia, which we named and invited as a member country of the NNSC, has already been dissolved, it was inevitable to withdraw the delegation representing this country. At the same time, as stipulated in Paragraph 37 of the Armistice Agreement, it is wholly up to our side and our right to choose a new member country of the NNSC. No one has the right to order us about and interfere with a problem that is under our authorization.

The Czech side is talking as if it succeeded the Czechoslovak delegation of the NNSC. This is an act which ignores the Armistice Agreement. The Czech Republic does not succeed the Czechoslovak Federal Republic. This is clear when viewed from the fact that the Czech Republic newly established diplomatic relations with various countries and newly joined the United Nations.

Moreover, the Czech Republic, without so much as prior consultation with our side—the other signatory to the Armistice Agreement—decided to succeed the Czechoslovak delegation at the NNSC and is trying to make us accept it with your side. This is an encroachment upon our sovereignty and interference in our internal affairs. We are trying to choose a new member country of the NNSC, but we will not name and invite the Czech Republic which committed an act of infringing upon our sovereignty.

Informing the Czech side of our stand, our side already called on it to submit a timetable necessary for the delegation's withdrawal preparations and departure by around early March. This notwithstanding, your side's insistance that the Czech Republic should be recognized as the successor state to Czechoslovakia and that in case it should withdraw, the Czech delegation should be withdrawn only after its replacement is decided are flagrant infringements upon the Armistice Agreement and interfere in our domestic affairs.

That the MAC and the NNSC have been today completely paralyzed and turned into nominal organizations which cannot perform any function is not because of the Czechoslovak delegation's withdrawal but is closely related to the fact that your side has systematically destroyed and paralyzed these organizations since long ago.

Your side forced the Neutral Nations inspection teams to withdraw from your side's area in June 1956 when your side's violations of the Armistice Agreement were revealed by a Neutral Nations inspection team. In June 1957, your side unilaterally abolished Subparagraph 13d of the Armistice Agreement which bans the introduction of operational equipment from outside Korea and made it impossible for the NNSC to perform its mission and duties stipulated in the Armistice Agreement. Furthermore, on 25 March 1991 your side appointed a South Korean army general, who has no qualification or justification, as senior member of the U.N. Command side in place of a U.S. army general and, thus, your side has completely paralyzed the function of the armistice supervisory bodies.

On the other hand, since the change in governments has taken place in East European countries, the U.S. side has abused the NNSC in its political purposes and has gone as far as to perpetrate without hesitation the act of inviting these countries, a party of the signature of the Armistice Agreement, to observe the Team Spirit joint military exercise against our Republic. This proves that the neutrality and [word indistinct] of the NNSC have been lost.

We will make the Czechoslovak delegation withdraw since we have already decided on and will address the option of a new member state in accordance with the Armistice Agreement. As to the problem of steering the NNSC, this organ has been maintained for two months without the participation of the Czechslovak delegation. Therefore, there will be no problem if the NNSC is operated by three delegations for the time being until a new member state is selected.

If your side is really concerned about the future of the armistice bodies, it should take steps, above all, to restore the functions of armistice bodies paralyzed by it, instead of creating complexities by complaining against our just step.

KCNA Reports on 1 Mar U.S. 'Air War Exercise'

SK0303044593 Pyongyang KCNA in English 0408 GMT 3 Mar 93

[Text] Pyongyang, March 3 (KCNA)—The U.S. imperialist aggressors on March 1 hurled KC-135 refueling tankers into an air war exercise staged within the framework of the criminal "Team Spirit 93" joint military exercises, according to military sources.

The Guam-based tanker planes refueled in the mid air overseas-based nuclear-capable F-16s, F-15s, assault planes and pursuit-assault planes before landing at the Osan Air Base in South Korea.

The tankers on the same day fanned up war hysterics in another mid-air refueling of some 20 fighter-bombers in the sky above the sea off Mokpo under the operational plan of the "Team Spirit 93".

The reckless refueling exercises were extremely dangerous war gambles aimed at increasing the capability of overseas-based fighter planes of different types in successive strikes at strategic targets in the northern half of Korea by a long-distance non-stop flight with the support of tanker planes.

NODONG SINMUN: Team Spirit Threat to Peace

SK0303095193 Pyongyang Korean Central Broadcasting Network in Korean 0019 GMT 2 Mar 93

[NODONG SINMUN 2 March special article: "The Team Spirit Exercise Is a Severe Threat to Peace in Asia and the Rest of the World"]

[Text] The great leader Comrade Kim Il-song has taught: The new war provocation maneuvers by the United States are very grave for the Korean peninsula.

Despite the strong protest by our people and the people all over the world, the United States and the South Korean authorities are conducting the Team Spirit-93 joint military exercise against us. A large number of armed forces are now being brought into the Korean peninsula from the bases in the U.S. mainland and in the Pacific region.

Because of the resumption of the Team Spirit-93 joint military exercise, the situation of the Korean peninsula—which has moved in the direction of detente—is very tense once again. A very dangerous situation is being created in our country. Our people and the people all over the world are deeply concerned about this because the Team Spirit exercise is a grave threat to peace in Korea as well as the peace and security of other Asian countries and the rest of the world.

The Team Spirit joint military exercise is a military [word indistinct] to fulfill the United States' regional strategy. The cold war is ended today. The United States' major tasks are to turn its military strategy into its regional strategy and to adhere to the main resource areas and the important military positions.

In fulfilling its regional strategy, the United States is now directing the spearhead of attack against the Asia-Pacific region. This region is rich in human and material resources. It also has big markets. Therefore, the United States regards the Korean peninsula as its military bridgehead to realize its domination over the Asia-Pacific region. Korea is linked to the Asian continent. In addition, South Korea is the United States' colony, a military base.

There are no henchmen and farm servants of war anywhere else in the world who are faithfully carrying out the United States' military policy as the South Korean puppets do. The United States has taken South Korea's right to command the military. It can commit the aggression of war at any time by making the South Korean puppet army a shock brigade.

The United States has mobilized a large number of armed forces into South Korea and its surrounding areas. Based on this favorable situation, the United States attempts to commit the aggression of war against us by making South Korea a military stepping stone and, furthermore, to realize its ambition to dominate other countries in Asia. This is clearly shown by the size of the Team Spirit joint military exercise.

Whenever it conducts the Team Spirit exercise, the United States largely deploys into the exercise the U.S. troops occupying South Korea, the puppet army, and main Army units from the U.S. mainland. The ground, naval, and air forces deployed in Hawaii, Okinawa, and the Japanese mainland are deployed in the exercise. Even the Japanese self-defense army units are being brought into the exercise in the name of observers.

Although the United States announced that the number of participants in the exercise would be approximately 200,000 soldiers, the real number of participants in it is more than that number. Whenever the Team Spirit exercise is conducted, all of the South Korean armed forces are taking part in the exercise, assuming the emergency mobilization posture. Nuclear weapons with a long range, planes with a long range, aircraft carriers, and air refueling planes are mobilized in the exercise. This shows that the war exercise is not only aimed at waging a strike against our Republic.

When the United States today commits military action against us under the pretext of our non-existent nuclear development, there is no guarantee that it will not invade other countries tomorrow under the new pretext. In realizing its ambition to invade Asian countries, the United States regards our country as its first target for invasion. The Team Spirit joint military exercise is a grave theater to peace in Asia and the rest of the world, because this exercise is a test nuclear war.

As is known, the Team Spirit joint military exercise is a test nuclear war aimed at waging a preemptive strike against the northern half of our republic. The United States is mobilizing its various nuclear weapons, transport facilities, and professional nuclear (?units). In recent years, even the E-4B, a professional nuclear war commanding plane, has been mobilized in the war exercises as well.

The United States is conducting various operational exercises aimed at waging a strike against our Republic from the sky, land, and sea by mobilizing a huge amount of nuclear arms. Aircraft carrying nuclear weapons from U.S. bases in Guam and Okinawa fly into formations consisting of scores or hundreds of planes. Thereby, they conducts nuclear strike exercises in the sky above the South Korean region.

These facts shows that the war in Korea may be turned into a nuclear war, and that if this happens, other countries may suffer a grave nuclear damage.

Today, the people of the world are denouncing the Team Spirit-93 joint military exercise as a grave threat to peace in Asia and the rest of the world and as a challenge to mankind's desire for peace. They demand that the United States and South Korean authorities immediately suspend the exercise. This is very natural.

The United States authorities are talking about peace frequently. If this is true, they should make a decision to stop conducting the Team Spirit joint military exercise.

If the United States disregards the world's peace-loving people's desire for peace and commits the aggression and war exercise on the Korean peninsula, it would not avoid meeting a strong protest and denunciation from the people as the enemy of peace. The United State should act with discretion.

Japan Paper: Normalization Goal With DPRK Viewed

SK0303110593 Pyongyang KCNA in English 1008 GMT 3 Mar 93

["Anachronism in Japan-DPRK Negotiation on Diplomatic Ties"—KCNA headline]

[Text] Pyongyang, March 3 (KCNA)—The Japanese MAINICHI SHIMBUN February 26 carried a view of Prof. Narihiko Ito of Chuo University under the headline "Anachronism in Japan-DPRK Negotiation on Diplomatic Ties."

The negotiation for the normalization of diplomatic ties has shown no sign of progress at all although it has entered the third year, he said, adding this is entirely because of the Japanese side.

He wrote:

"The Japanese Government and media refer to 'nuclear suspicion' against North Korea and the like to explain that North Korea is to blame for the stalled negotiation. But I think otherwise. I am of the opinion that the real factors lie in the attitude of the Japanese side in two aspects.

"Firstly, it is that the Japanese Government still insists that the 'Korea-Japan Annexation Treaty' 'legalized' by force in August, 1910 was 'effective', maintaining that 'any act based on a valid treaty is not liable to make compensation.'

"Secondly, it is that it intends to force the 'treaty' signed between Japan and South Korea in 1965 on North Korea, mentioning not a word about the past of colonial domination.

"It is anachronism to impose the Japan-South Korea 'treaty' of nearly 30 years ago."

[Name indisitnct] Kawai, representative of the 180-men Gifu Prefectural Committee for An Early Normalizatqmn of Japan-DPRK Diplomatic Relations, speaking at a regular meeting for 1993, referred to the policy speech of the Japanese prime minister this year in which he said the "North's nuclear problem" is a snag in the normalization of diplomatic ties. This, he said, is not a stance to normalize diplomatic ties and properly liquidate the past.

Kim Il-song Sends Condolences to Cambodia's Sihanouk

SK0303111293 Pyongyang KCNA in English 1043 GMT 3 Mar 93

[Text] Pyongyang, March 3 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of condolence to His Royal Highness Samdech Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia.

President Kim Il-song said in the message he expresses deep condolences to His Royal Highness Samdech Norodom Sihanouk upon hearing the sad news that Princess Norodom Keth Kanya, aunt of the samdech, passed away after a long illness.

Foreign Leaders Support Korean Reunification

SK0303033693 Pyongyang KCNA in English 2224 GMT 2 Mar 93

[Text] Pyongyang, March 2 (KCNA)—State and government leaders of various countries expressed solidarity with the struggle of the Korean people for the reunification of the country when they met with the Korean ambassadors in recent days.

Equatorial Guinean President Obiang Nguema Mbasogo, referring to the friendly and cooperative relations between Equatorial Guinea and Korea, said that the Equatorial Guinean people would as ever actively support the Korean people in their struggle for the independent and peaceful reunification of the country.

Zambian President Frederick J.T. Chiluba said he supported the proposal for Korea's reunification advanced by the respected leader President Kim Il-song in his New Year address for this year.

"We invariably support the Korean people in their struggle for the independent and peaceful reunification of the country," Madagascan President Didier Ratsiraka said.

Siale Vileka Silvestre, prime minister of the transitional government of Equatorial Guinea, said that the Equatorial Guinean transitional governmemt and people would support the independent and peaceful reunification of Korea as in the past.

Meanwhile, Cambodian Prime Minister Hun Sen when he met with a delegation of the Workers' Party of Korea, expressed full support to the proposal for reunification of Korea put forward by the great leader President Kim Il-song.

Foreign Crewmen Help War Monument Builders

SK0303060493 Pyongyang KCNA in English 0430 GMT 3 Mar 93

[Text] Pyongyang, March 3 (KCNA)—Crewmen of the Cyprian ship Tilemahos and the Panamanian ship Ocean Earth staying at Nampo Port Tuesday helped builders of the monument to the victorious fatherland liberation war.

The crewmen planted trees together with the builders and sang songs, congratulating them on their success in labour.

The captain of Tilemahos said that the Korean people who are under the wise guidance of respected generalissimo Kim Il-song, the ever-victorious iron-willed brilliant commander who defeated two imperialist aggressors of the United States and Japan in a generation and has made a great contribution to peace in the Korean peninsula and the world, and dear Marshal Kim Chong-il, supreme commander of the Korean People's Army, will smash the aggressive moves of the imperialists and reactionaries and firmly defend socialism.

Saying that all the peace loving people are supporting the Korean people's just cause of peace and peaceful reunification, he wished the Korean people a prosperous, peaceful and happy life.

Speaker Marks 1 March Uprising Anniversary

SK0303093493 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 1 Mar 93

[Text] A Pyongyang city report meeting to mark the 74th anniversary of the 1 March popular uprising was held in the Central Workers Hall on 1 March.

A portrait of Comrade Kim Il-song, the great leader of our party and people, was respectfully placed in the front of the meeting hall.

Slogans reading, "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious Workers Party of Korea [WPK]!" were also hung in the meeting hall.

Comrade Kang Hui-won, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Chong Sin-hyok, chairman of the Chondoist Chongu Party Central Committee; Chong Tu-hwan, chairman of the Central Committee of the Democratic Front for the Reunification of Fatherland [DFRF]; Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK]; Yu Ho-chun, director of the secretariat of the DFRF Central Committee; Paek Nam-chun, director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF]; Kim Yong-ho, vice chairman of the Central Committee of the Korea Social Democratic Party; responsible functionaries of workers organizations; and workers of the city attended the meeting.

The meeting began with the playing of the national anthem.

Director Yu Ho-chun made a speech at the meeting.

The speaker stressed: Our people, who treasure the nation's independence and sovereignty, unyieldingly resisted the brigandish, medieval-like tyranny of the Japanese imperialists. The deep grudges born and accumulated in the hearts of our fellow countrymen finally erupted as a pannational anti-Japanese uprising on 1 March 1919.

The speaker said that the historic 1 March popular uprising began to erupt with the mass demonstration struggle staged in Pyongyang as the first beaconfire. He continued: That day in Pyongyang, the patriotic youth, students and people, who had been personally reared by Mr. Kim Hyong-chik, the unswerving revolutionary fighter and outstanding leader of anti-Japanese national liberation movement in our country, played the key role in the large-scale anti-Japanese demonstration struggle, and the masses from various strata joined in this struggle.

The demonstrating masses courageously fought against the Japanese soldiers and police, who blocked them with guns and bayonets, by loudly shouting, "Withdraw the Japanese and Japanese military!" and "Hurrah Korea's independence!"

The flames of the anti-Japanese demonstration struggle ignited by the citizens of Pyongyang swept throughout the country in a flash, and rapidly spread even to overseas Koreans' residential areas including the Northeast and coastal areas in China, and Japan.

The participants in the uprising rose in mass anti-Japanese demonstrations and riots everywhere and staunchly struggled against the heavily-armed Japanese imperialist aggressors even at the risk of their lives.

The 1 March popular uprising, which has great significance in the history of the anti-Japanese national liberation movement in our country, demonstrated our people's patriotic spirit and indomitable will not to tolerate outside forces of aggression who trample underfoot the nation's dignity and sovereignty. This uprising not only enhanced the Korean people's national awareness by dealing a serious blow to the Japanese imperialists' colonial rule but also gave great encouragement to the national liberation movement by the repressed people in the colonial countries.

The speaker said: The 1 March popular uprising proved that for the popular masses, the driving force of history, to win victory in the revolutionary struggle, they should be led by the outstanding leader of the revolution, and they should wage organized struggle based on scientific strategy and tactics of the working-class party. It also showed a serious lesson that chuche should be firmly established in the struggle to achieve the nation's independence and sovereignty and that we should counter anti-revolutionary violence with revolutionary violence.

He pointed out that according to such experience and lessons, our people anxiously looked forward to the appearance of an outstanding leader to lead the anti-Japanese imperialist struggle and the struggle for national liberation to victory. Our ardent desire was finally met when the respected leader Comrade Kim Il-song, genius of the revolution and the sun of the nation, embarked on the revolutionary road by personally bearing the destiny of the nation and the people.

The speaker respectfully extended greatest honor and warmest thanks, together with endless loyalty and filial piety, to the great leader Comrade Kim Il-song, the sun of the nation and benevolent father who recovered the nation for our people and established the socialist system in which the chuche idea is embodied and who is wisely leading our revolution along the single road of victory and glory, and to dear leader Comrade Kim Chong-il, who has inherited and is accomplishing the chuche revolutionary cause.

The speaker stressed: The desire of the 1 March uprisers has not been achieved in half of the nation's land, and the South Korean people have been cruelly trampled underfoot under the U.S. imperialists' colonial rule.

He said the international situation is moving toward detente and peace. However, since the North-South agreement and the joint denuclearization declaration were adopted and effectuated and thus a favorable phase opened for national reunification, the United States resumed the Team Spirit joint military exercise, which was suspended last year, in an attempt to pick a new quarrel with us over so-called suspicion of the North's nuclear development, thus pursuing the policy of confrontation. The United States fully revealed its true intention to deny [pujong] the North-South dialogue and to oppose peace and the reunification of Korea.

He said that the Japanese reactionaries are aggravating the situation on the Korean peninsula by following the U.S. imperialists' reckless nuclear commotions and aggressive maneuvers. They are advancing to become a big military power by increasing troops of the self-defense forces in recent years and toward nuclear armament. Thus, they are seriously threatening peace and security in Korea and in Asia.

The speaker pointed out that commotions about a special inspection of us, staged at the imperialists' instigation, are preplanned provocative maneuvers of big countries intended to obliterate our Republic—the stronghold of socialism—and that the South Korean ruling bunch's chiming in with such special inspection commotions by the imperialist reactionaries is an intolerable treachery and flunkeyist act to offer our nation as a victim of big countries.

He said: The imperialists are bringing dark clouds of nuclear war to our country while disturbing national reunification and the South Korean ruling bunch is wildly running amok with division, confrontation, fascism, and war maneuvers while blocking North-South dialogue and implementation of the North-South agreement by following outside forces.

He sternly denounced their criminal acts with surging national indignation.

The speaker stressed that national reunification is the national cause which should be achieved with our people as the driving force and that our people should achieve national reunification without the interference of any outside force based on the principle of national independence through dialogue between the North and the South in the manner of a confederal system based on one nation, one state, two systems, and two governments.

Noting that our nation's division was caused by outside forces, he pointed out that the relevant countries [yugwan kukdul] should discard the cold war era way of thinking and should no longer obstruct national reunification.

He stressed: The United States should renounce special inspection commotions to threaten us with the fictitious nuclear issue; should immediately suspend the Team Spirit-93 joint military exercise, which can trigger a nuclear war [haekjonjaengul irukida] on the Korean peninsula, and should withdraw U.S. troops and nuclear weapons from South Korea at an early date.

He pointed out that our people, who treasure the nation's dignity and sovereignty as they treasure their own lives, will not tolerate any pressure or unjust act of big countries.

Stating that implementing genuine democratic politics in South Korea is an important factor for checking and frustrating the U.S. imperialists' policy of aggression and war, he pointed out that with the completion of the power transfer in South Korea on 25 February, Kim Yong-sam became the president. If the new South Korean regime wants to be called a genuine civilian regime, it should observe the principle of national independence and free itself from the subjugation of the United States and Japan. It should liquidate the outdated military fascist system, should release all political prisoners including those who visited the North, and should repatriate old man Yi In-mo. We will watch this.

The speaker said: When all compatriots in the North, the South, and overseas check and frustrate the nuclear commotions and war provocation maneuvers of the U.S. imperialists and their stooges in firm unity and wage a pannational struggle to achieve reunification through a confederal system, barriers of division will be destroyed and the historic cause of national reunification will be achieved without fail.

In conclusion, the speaker stressed that all people should more tenaciously fight for socialist construction, for the independent and peaceful reunification of the fatherland, and for the final accomplishment of the chuche revolutionary cause by upholding the great leader Comrade Kim Il-song and by following the wise leadership of dear leader Comrade Kim Chong-il.

LSWYK Vice Chairman Notes Organization's Tasks

SK0303102193 Pyongyang Korean Central Broadcasting Network in Korean 0017 GMT 28 Feb 93

[NODONG SINMUN 28 February special article by Yi Yong-tok, vice chairman of the Central Committee of the League of the Working Youth of Korea [LSWYK], "A Programmatic Guideline for Preparing Youths to Be Reliable Forces for Socialist Construction"]

[Text] Youths across the country are now brimming over with a sense of great honor and pride, upholding the great leader Comrade Kim Il-song's historic letter, "Young People Must Honorably Accomplish the Chuche-Oriented Revolutionary Cause Upholding the Party's Leadership," sent to the 8th Congress of the League of the Working Youth of Korea, and the dear leader Comrade Kim Chong-il's classical work, "Let Us Develop Our Country's Youth Movement Into a New High Level," published on 5 January 1993. They are vigorously rising up to struggle to carry out the tasks indicated in the letter and the classical work.

In addition, we mark the 20th anniversary of the publication of the great leader's historic classical work, "Let Us Bring Up Youths To Be the Builders of Socialism, Communism, Who Are Fully Prepared Mentally, Morally, and Physically."

The great leader Comrade Kim Il-song published the classical work on 28 February 1973, marking a new turning point in the work of educating and indoctrinating youths. The great leader's classical work has been a programmatic guideline for bringing up our country's youths to be reliable forces for socialist construction and to be the heirs of the revolution.

The great leader Comrade Kim Il-song has taught: It is the most important task for the LSWYK organizations to bring up youths to be the able builders of socialism, communism, who are fully prepared mentally, morally, and physically.

The issue of how to indoctrinate and prepare youths is an important issue related the future fate of the party, the revolution, the country, and the nation. Under the circumstances in which our revolutionary cause is not completed yet and in which the country is not reunified, we should bring up the new generations who will carry forward the revolution to be strong forces.

The LSWYK organizations should substantially conduct indoctrination in knowledge, virtue, and health among youths. By so doing, they should bring up all youths to be able socialist builders who are equipped with rich knowledge, noble morality, and strong health. This is a revolutionary demand.

Our youths, who should carry forward and complete the chuche-oriented cause, should be equipped with the great creative ability and noble trait. The socialist cause is a magnificent creative cause to reform and change nature, society, and man. This cause is carried out through the ferocious struggle against imperialism. For this reason, to be reliable forces for socialist construction, youths should equip themselves with firm loyalty to the party and the revolution. They should also have rich scientific and technological knowledge, noble morality, and strong health.

In other words, only when all youths should prepare themselves to be the chuche-type revolutionaries equipped with literary and military accomplishments, loyalty, and filial duty can our revolution be unfalteringly carried forward. Only then can the socialism of our own style press hard on the heels of the enemy.

In the classical work, the great leader fully indicated direction and method to brilliantly bring up youths. The dear leader comrade has vigorously aroused all LSWYK organizations to struggle to carry out direction and method.

As was proudly summed up at the 8th LSWYK Congress, matchless and great is the success which our party has effected in the work of educating and indoctrinating youths.

For the past 20 years in a bid to carry out the various tasks indicated in the great leader's classical work, our LSWYK functionaries have deeply realized the truth and great meaning of the classical work. They have more firmly confirmed their determination to carry out the programmatic tasks indicated in the classical work, in keeping with the demand of reality development.

Leading youths to study well is the important task of the LSWYK organizations. In the past period, the LSWYK organizations have steadily pressed ahead with the work to establish the revolutionary habit of study among youths and to learn from the revolutionary study method which was personally created and practiced by the dear leader comrade. By so doing, the LSWYK organizations have led all youths to acquire the rich knowledge of politics, science, technology, literature, and art, and others. The LSWYK organizations have also led youths to firmly establish the revolutionary view of the world.

In particular, upholding the slogan, "Study is first", students and youths vigorously launched the movement to win the prize of collegians' scientific quest and the movement to win the great 25 July prize. As a result, many successes have been effected.

In higher educational fields, approximately 7,200 associate doctors and 25 associate-doctorate classes were produced on a nationwide scale; many people won the prize of scientific quests; and a large number of student inventors emerged. In common educational fields, 5,480 senior middle school students won the 25 July Movement prize and 14,040 classes had the honor of 25 July meritorious classes.

The great leader indicated in the classical work that the LSWYK should further strengthen the indoctrination in morality among youths. The noble morality and sound way of life are the important traits that our youths should acquire. The indoctrination in morality among youths has been strengthened. As a result, our youths are brought up to be diligent and revolutionary new generations who find out their life's meaning and happiness in struggle for the country, people, society, and groups.

Our youths more voluntarily think and act in terms of the party's intention than anyone else. They devotedly struggle to carry out the party's intention. If the party calls on them to rise up to the difficult and arduous fields in socialist construction, they volunteer to rise up to the fields; and if the party worries about orphans, they bring them to rear the orphans.

The noble trait of marrying a disabled soldier and of caring for him for lifetime can be found out among our youths. This clearly shows that the view of life of the new generations, who have been indoctrinated and brought up under our party's care, is very noble.

In particular, as the great leader indicated in the classical work, the LSWYK organizations have vigorously promoted the work to enhance the class consciousness, national independent consciousness, and national dignity among youths. As a result, the faith—our leader is best; our party is best; and our socialist system is best—has firmly rooted in the hearts of our youths.

In the classical work, the great leader indicated that whether a country is strong is decided by the degree of people's ideological consciousness and physical preparations. Even though the size of a country is small and its population is small, if all of its people are firmly prepared ideologically and physically, the country is strong. Thus, aggressors cannot provoke the country at random.

In the course of carrying out the party's policy on popularizing sports among youths, all youths come to be interested in sports, building up their physical strength.

The march to visit the revolutionary battle sites, which the dear leader comrade put forth, becomes a class of the revolutionary tradition indoctrination and physical trainings in a bid to consolidate our youths' ideology and physical strength.

Upholding the tasks indicated by the great leader in the classical work, youths widely launched the movement to do good things in the past period. As a result, the large forestry areas have been cultivated by the LSWYK and the Korean Children's Union. The LSWYK and the Korean Children's Union got many tractors, electric locomotives, tanks, and warships, sending them to socialist constructions sites and the outposts of the national defense.

Today, schools across the country are vigorously launching the movement, "Our outpost is our school and vice versa", thus bringing into full play the traditional laudable custom of the Army-people unity.

While carrying out the great leader's teaching that the LSWYK organizations should organize and mobilize youths to stand in the vanguard of the difficult and arduous fields, the LSWYK organizations have brought up many youths to be the heroes of creation and construction.

Upholding the tasks put forth by the great leader, the LSWYK organizations have positively organized and mobilized the LSWYK members to carry out the three revolutions. By so doing, they have actively contributed to accelerating the ideological, technological, and cultural revolutions in all fields.

All successes, effected in the work of bringing up youths to be reliable forces for socialist construction who are prepared mentally, morally, and physically, are the fruitions of the dear leader Comrade Kim Chong-il's wise leadership.

The dear leader comrade has raised the issue of youths' work, that is, indoctrination of youths, as one of the basic issues deciding the fate of the socialist cause. He has seen to it that all the party should put efforts into indoctrinating youths. By so doing, a new turning point has been effected in our country's youth movement.

Upholding the party's leadership, our country's entire youths are brimming over with the verve to bring into full play the honor of the youth vanguards by resolutely defending the socialism of our own style centered on the popular masses and by abiding by the loyal oath taken to the dear leader Comrade Kim Chong-il at the 8th LSWYK Congress.

Our LSWYK organizations should more thoroughly carry out the great leader's classical work, "Let Us Bring Up Youths To Be Socialist, Communist, Builders Prepared Mentally, Morally, and Physically." By so doing, they should vigorously lead our youths to the single road of loyalty.

NODONG SINMUN Upholds Theory of Ideology

SK0303110893 Pyongyang KCNA in English 1041 GMT 3 Mar 93

["We Uphold Theory of Ideology"—KCNA headline]

[Text] Pyongyang, March 3 (KCNA)—"The theory of ideology makes society full of vigour and life and enables people to be ideological and moral strongmen who answer the imperialist challenge and pressure with revolutionary counterattack.

"Socialism is the ideal of mankind in that it brings everything beautiful and noble of humanity into full bloom with ideology as the expedient," stresses NODONG SINMUN Tuesday in a political essay entitled "We Uphold Theory of Ideology."

The essay quotes the dear leader Comrade Kim Chong-il as saying:

"We uphold the theory of ideology to the effect that ideology of people is basic in the revolutionary struggle and construction work and it decides everything."

The essay says:

Our chuche theory of ideology is a great philosophy of faith which can be upheld and implemented only by our dear Comrade Kim Chong-il possessed of rare wisdom and sagacity and a brilliant will of inheritance.

We uphold the theory of ideology!

This proposition overflowing with deepest respect for and absolute confidence in people and their ideological consciousness reflects the rare wisdom and will of inheritance of the dear leader who was the first to find out the key to the accomplishment of the cause of modelling the whole society on the chuche idea, which is unprecedented in ideal and purpose.

The theory of ideology maintaining that ideology of people is basic in the revolution and construction and it decides everything is a great truth embodying the immortal chuche idea. The Workers' Party of Korea takes this truth as an almighty key, along with the brilliant succession to the revolutionary cause of chuche. Herein lies the revolutionary nature, sagacity, dignity and honour of the WPK which displays its might as a dependable organizer and guide in the building of an ideal society of mankind.

The weakening of socialist ideology leads to the strengthening of capitalist ideology, but ohe strengthening of socialist ideology certainly leads to the overall victory of socialism. This is a serious lesson and truth which has gone through the tests of history.

All victories of our revolution are victories of our party's distinguished faith and will, the essay notes, and says:

Thanks to the firm faith and will to defend and exalt the chuche theory of ideology, our party has been built rock-firm on the basis of ideology, our society united in one mind on the basis of ideology and our revolutionary army trained into a crack force on the basis of ideology.

The theory of material almighty makes society corrupt and ailing and reduces people to feeble beings who give up their position without thinking of fighting the attack of the counterrevolution.

We are advocates of the theory of ideology.

That is why we firmly believe that a people can be great and a revolstion be invincible when they are guided by a great leader who provides an immortal ideology, conviction of certain victory and ever-victorious strategy.

The essay stresses:

We uphold the theory of ideology!

We are sure to win in our advance under the banner of the immortal chuche idea!

DPRK Media Reports on Unity of Army, People

SK0303060293 Pyongyang KCNA in English 2207 GMT 2 Mar 93

[Text] Pyongyang, March 2 (KCNA)—Mass media of the DPRK are widely reporting these days about thanks extended by Comrade Kim Chong-il, the dear leader of our party and people and supreme commander of the Korean People's Army [KPA], to different units of the national economy and working people, KPA units and servicemen for their full display of beautiful traits in relationship between the army and the people.

The beautiful tradition of unity between the army and people has now become a social trend in Korea.

The great leader President Kim Il-song has said:

"It is a noble and beautiful tradition of our society that the army and people love each other and help each other actively."

The movement of "our post-our school", "our post-our coop farm", "our post-our factory" and the movement of model county of unity between the army and people are briskly going on across the country in accordance with the intention of the party to attach great importance to military affairs and actively assist the people's army.

Taking part in this movement are nearly all the working people of the country—those of the central organs, provincial, city and county (district) party committees and administrative and economic committees, industrial establishments, cooperative farms, schools and families.

Mangyongdae district, Pyongyang, Kosong County, Kangwon Province, Sariwon City and Singye County, North Hwanghae Province and all other counties are taking an active part in the movement following Changpung County, Kaesong municipality, which was the first in the country to win the honor of being model county of unity between the army and people by setting a new example of relationship between the army and the people.

Working people frequently visit army units which dependably stand guard on the defence line of the country and soldiers who are registering heroic feats at major sites of socialist construction to deepen the feelings of kinship between the army and people, having colorful events with them such as a joint gathering and a joint performance.

Participating in the movement of "our post-our school", "our school-our post" initiated by the teachers and pupils of the Masan senior middle school in Waudo district, Nampo municipality, are the teachers, school children and students of all senior middle and primary schools across the country including the Cho Ok-hui senior middle school in Paechon County, South Hwanghae Province, the Pyonggang senior middle school, Pyonggang County, Kangwon Province, the Taepyong senior middle school in Pyongyang and the Han Yong-chol senior middle school in Undok County, North Hamgyong Province.

Setting the dates of visit to army units, those school children and students visit people's army soldiers with flags of the republic, silk banners, combat record books, comfort letters and programs of art performance well prepared to encourage them in combat and political training.

Today it is a revolutionary trait of the Korean People's Army to go through fire and water, if it were to protect the life and property of the people, and love the people and help them with sincerity any time and anywhere.

The people's army soldiers, instead of going to recreation resorts or their homes during their holidays, would call at coal and ore mines rural districts and other major sites of socialist economic construction to give politico-ideological and labour assistance to working people.

Reported from among them are heroic feats and self-sacrificing spirit in dedicating their lives to saving children from drowning and blocking a breaking dam with their bodies to protect lives and properties of the people and farm land.

This is a part of the beautiful life and noble traits which are displayed in Korea today.

KCNA Reviews 3 Mar Pyongyang Press

SK0303054093 Pyongyang KCNA in English 0509 GMT 3 Mar 93

[Press review]

[Text] Pyongyang, March 3 (KCNA)—Papers here today carry messages of greetings President Kim Il-song of the Democratic People's Republic of Korea sent to President Zhelyu Zhelev of the Republic of Bulgaria, and Hassan the second, King of Morocco, on the occasions of their national days.

NODONG SINMUN informs the readers that immortal classical works of the dear leader Comrade Kim Chong-il were disseminated and deeply studied in various countries.

Comrade Kim Chong-il sent thanks to People's Army soldiers and a demobilized soldier who had highly displayed beautiful communist deeds, says the press.

NODONG SINMUN edits messages of greetings Comrade Kim Chong-il received from party leaders of various countries on the occasion of his birthday.

Under the title "dear Comrade Kim Chong-il is outstanding leader of present times", the daily gives news that his birthday was grandly celebrated in various countries.

The daily carries what foreigners said after seeing the mass gymnastic display "we will always go with the party" performed by 10,000 school children in Pyongyang in celebration of the birthday of Comrade Kim Chong-il.

The daily editorially calls for hastening and finishing preparations for farming.

Under the headline "Noble Ideological Life of Korean People Flowering in Bosom of the Party", the daily devotes much space to articles introducing the ideological and spiritual traits among people of all strata.

Seen in the daily is a joint statement made public between the Workers' Party of Korea and the Polish League of Communists "proletariat".

The "Team Spirit 93" joint military exercises of the United States and the South Korean authorities are under fire in foreign countries, says the press.

South Korean news of the press includes reports that a joint rally of youths was held in Seoul on the occasion of the 74th anniversary of the March First Popular Uprising and the Human Rights Committee of the Council of Christian Churches sent a document urging the repatriation of old man Yi In-mo to Kim Yong-sam.

Given in the press is a letter sent by the secretary of the Korean People's Army and Chinese People's Volunteers side to the Military Armistice Commission to his counterpart of the UN forces side in connection with the withdrawal of the Czechoslovak delegation from the Neutral Nations Supervisory Commission.

NODONG SINMUN rounds up foreign public voices saying that the socialist system in Korea is, indeed, an ideal society desired by the mankind.

International news of NODONG SINMUN includes reports that a spokesman for the Chinese Foreign Ministry criticized the United States' double standard in human rights and an anti-American demonstration took place in Somalia.

The press observes the national day of Morocco.

An article of NODONG SINMUN says that "material prosperity" on the lips of the bourgeoisie is no more than a rhetoric to cover up "the rich gets richer and the poor poorer".

MINJU CHOSON runs an article titled "fierce strifes for concessions" which analyses the scheduled American visit of the Japanese foreign minister and the moves of the United States and Japan surrounding it.

South Korea

Ministry Asks PRC To Intervene on DPRK-Czech Issue

SK0303091093 Seoul YONHAP in English 0853 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—South Korea has urged China to intervene to stop North Korea from breaking up the Neutral Nations Supervisory Commission (NNSC), the four-nation armistice watchdog body, Foreign Ministry officials said Wednesday. The request was made through Chinese Ambassador to Seoul Zhang Tingyan, who said he would deliver South Korea's position to his government. "We believe that Beijing will, in one form or another, send a message to North Korea to try to influence it against its current action," an official said.

Pyongyang has enforced restrictions on Czech members of the NNSC, insisting that they have to be replaced by representatives of another country since nnsc membership lapsed with the separation of Czechoslovakia into the Czech and Slovak republics on Jan. 1. North Korea named Czechoslovakia and Poland to its side of the NNSC while the U.N. Command in South Korea named Switzerland and Sweden. The commission oversees implementation of the armistice agreement signed at the end of Korean war (1950-1953) by the United Nations, China and North Korea.

China, although directly involved as a signatory to the armistice, has virtually relegated all matters related to the NNSC to North Korea and so far refused to intervene. Pyongyang set a March 10 deadline for Czech to pull out. Restrictions placed since Jan. 12 include forbidding the officials from leaving their residences, taking away their transportation, forbidding any outside contact and refusing medical services. "We recognize that North Korea has the right to replace its NNSC member under the armistice agreement, but we demand that Pyongyang go through the proper procedure," the ministry official said. North Korea must designate the replacement and notify the change to the U.N. command.

Sources here said that Pyongyang had tapped Cuba, Syria or Iran to replace Czechoslovakia. "Until this procedure of replacement is completed, the Czech representatives must stay and fuction as a commission members for the armistice agreement to remain in effect," the official said. "Czech can inherit its status in the NNSC, just like Russia inherited the Soviet seat on the U.N. Security Council," he said.

Germany's Kohl Concludes ROK Visit, Departs

Views Expectations on German Aid

AU0303110493 Hamburg ARD Television Network in German 2130 GMT 2 Mar 93

[Interview with Federal Chancellor Helmut Kohl by Joerg Hafkemeyer in Seoul on 2 March—recorded]

[Text] [Hafkemeyer] When people set off on a trip, they do so because they want to experience something. What can you tell your colleagues, friends, the Germans, that you are bringing back home?

[Kohl] The first thing I would like to mention is that all my partners in the talks in Asia expressed that they expect a great deal of the reunited Germany regarding our international responsibility, that we will offer assistance—humanitarian assistance—wherever we can, also with a view to the Third World; that we will take very seriously what we pledged at the Rio UN conference—to save and preserve Creation; and, above all—and this applies to both sides—the countries I visited—India, Singapore, Indonesia, Japan, and now Korea—want cultural, political, and economic exchanges with Germany. Many jobs can be created in Germany over the next few decades because a lot can be achieved on the basis of joint action, joint technology exchange, etc. Therefore, I am returning home with great satisfaction and optimism.

[Hafkemeyer] You have the reputation of being a supporter of practical policy. Will there be any checking up on success? What will happen after the chancellor leaves this region?

[Kohl] Of course, I have agreed to check on success. The prime ministers of India and Singapore, as well as the Korean president will come to Germany for a visit within a year's time. We agreed on such success checks. It will also be possible with my Japanese colleague, whom I will meet on at least two more occasions this year. I have no doubts in this connection. It is merely a question of wanting it or not. Since I and my partners want it, I do not have any doubts.

[Hafkemeyer] A last question: A superpower has disappeared, or one could say faded, between these two major areas—Europe and south-eastern Asia as a result of political developments. Are you regarded here as someone who is able to mediate between the—economically powerful—Asian powers, the former Soviet Union, and the Europeans?

[Kohl] I think we would be undertaking too much to claim for ourselves the term mediator. I do not want that. What is expected of us, and of me as a person, is that we talk to the various partners. I will do so on my way back, where I will stop over in Moscow to meet Boris Yeltsin. I will tell him what my partners in India, Japan, and Korea asked me to. We can encourage—so to speak—people to show themselves ready for talks, but we cannot mediate in the sense of a major, theatrical gesture; still, we can offer assistance in many small steps. In my opinion this is a role that nicely fits the larger, reunited Germany.

Speaks at ROK National Assembly

SK0303052293 Seoul KBS-1 Television Network in Korean 0207 GMT 3 Mar 93

[Speech by Helmut Kohl, chancellor of The Federal Republic of Germany, at the National Assembly—live]

[Text] Speaker, ladies, and gentlemen: It is my great honor to speak before you, ROK national assemblymen who were elected through a democratic method. I extend my thanks to you for this. At the same time, I deliver the greetings of all the people of our country to you.

Ladies and gentlemen: The development that the ROK has achieved in our times is an impressive example proving that the economy can be most properly prosperous only on the soil of free democracy. Our German people have been watching the course of the ROK's development with great interest because they feel a sense of intimate and friendly ties with the South Koreans.

Our two countries have favorable impressions of each other because of the forcible and unnatural national division which has decided and created the unique fate of our two countries. Our German people came to realize what they had long desired when they achieved reunification on 3 October 1990 after more than 40 years of bitter division. For myself, this moment was one of the happiest moments of my life.

That the ROK people watched our country's reunification with a joy incomparable to that of the people of other countries made a great impression on us. At the same time, our German people could not repress their empathy for you on your failure to achieve your nation's desire for reunification. Yesterday I toured the line dividing the North and the South and witnessed the last iron curtain. This caused me to recall the painful time when I had to guide many foreign guests to the Berlin barrier.

Speaker, ladies, and gentlemen: The time will come without fail when your foreign friends will not have to turn back at Panmunjom. When that day comes separated family members, relatives, and compatriots, in particular, will meet again. We sincerely wish that that day would soon come to South Koreans. [applause] What could be achieved in Germany and Europe will be achieved even in the ROK. [applause]

The collapse of the communist bloc countries in Europe has proven that any dictatorial politics cannot cope with the strength and merits stemmed from freedom. During the long period of our national division, we never gave up our desire for national reunification. We tried to not miss even a moment in order to achieve our national reunification. We utilized all possible opportunities favorable for our national reunification.

We firmly believe that all people in the ROK want reunification. South Koreans will not miss any opportunity for national reunification. We are also well aware that North Koreans, as well, want national reunification to be achieved within the framework of a common freedom for all Koreans.

Mr. Speaker, and ladies and gentlemen:

We need to approach one another through patience and exchange of dialogue. We are well aware of the decisive role that meetings between the people which transcend the borders of an era of division, have played. The young people of your country were thus especially inspired by the fact that they are fellow countrymen of one nation. Achieving reunification is a task that requires many efforts. However, it will be worth your while and will produce favorable results for everyone. [applause] I speak while sufficiently bearing in mind the difficult course German has walked since 1990.

Remnants of communist dictatorship are devastating mentally and economically as well as every other way. In particular, construction of eastern German's social market economy from the ruins of the socialist regulated economy requires achievement on a historical level. Even though enormous financial resources were transferred to eastern Germany and there were encouraging advances, time is necessary in the process of becoming one. When this is realized, eastern Germany will emerge as the most up-to-date industrial spot in Europe, with room for foreign investment and direct investment by ROK businesses.

However more time is needed to overcome the psychological aftermath of our nation's division. Germans lived in the East and West under very different conditions for some 40 years, and they weaved different lives by experiencing different things. The dictatorial system of inhumane oppression and propaganda tools left a deep scar in people's minds. We must all be patient, open, and tolerant in the difficult process of becoming one. Our contribution to eastern Germany's revival will give hope to ROK people who are working to achieve national reunification.

Mr. Speaker, and ladies and gentlemen:

Friendly relations between the ROK and Germany go far back into the past. Special cultural and humane interest characterized mutual relations between the two people, and brought about various traditional exchanges. Our mutual interest in each other is evidenced by the Goethe Institute in Seoul, and the Korean cultural events and music concerts in Germany. This shows how active mutual exchange in the cultural field is between our countries. The importance of human relations between our two countries can be seen with the Korean people residing in Germany. They have lived in our country for years and made important contributions. We are good neighbors who exchange friendly relations.

We have a growing interest in learning each other's language. This is encouraging. Sisterhood ties between 14 ROK and German universities and 4,000 ROK students studying in Germany are proof of active academic exchanges between the two countries. I hope that the number of ROK students will continue to increase. This describes what importance our two countries attach to education and academic research. Like Germany, the ROK does not have abundant natural resources. Our wealth and development have been derived from people's efforts, a desire to learn, and goal-oriented industriousness.

The ROK is a good example in identifying factors that contribute to a country's economic development. The development of the ROK economy is the result of productive labor, businessmen's adventurism, and scientific and technological efforts. It is natural that you are proud of this.

The ROK is one of the important countries in Asia politically and economically. The world has witnessed, with amazement, the ROK's rapid transformation from a developing country to an industrial country. In particular, the ROK is our German people's economic partner that receives most-favored-nation status. German businessmen know what benefits the ROK can give to foreign investments.

The German High-Technology Exhibition held in Seoul in 1991 has further accelerated ROK-German cooperation in high-technology. Germany will focus on high-technology and environment-related technology during the Taejon Exposition in 1993. This will give a new impetus to ROK-German cooperation.

I believe that many untapped possibilities still remain for cooperation in trade and mutual investments. Therefore, free world trade is very important to the ROK and Germany. Open markets and fair competition are preconditions for the benefit of all participants. Protectionism will result in losses.

Germany will continuously try to make the EC remain an open market. [applause] We believe that a Fortress Europe can not exist. The European markets will become a center of the world economy, just like East Asia and North America. The growth of the world economy will begin in Europe. The development of the single European market will give the ROK opportunities for long-term investment and development.

Ladies and gentlemen: European integration and German unification are vital to Germany politically and economically. Our goal is to form a European alliance. The European people's earnest desire is that horrible fratricidal war will eventually be a thing of the past. The EC has helped member countries overcome national egoism and the competition to take leadership inside Europe. If we utter a single voice in Europe and pool our strength in handling non-European political issues, then we will be able to make a correct response to new political challenges.

The Maastricht Treaty is intended to achieve not only an economic and currency union but also a political union in the EC. The EC's door is open to new members. Negotiations have been under way to admit Austria, Sweden, and Finland by the end of 1995 and Norway later. The EC is also planning to admit Hungary, Poland, and the Czech and Slovak Republics. The first important stage toward that end is the formulation of an associate members agreement. The EC is also planning to sign a similar special agreement with Russia. Our objective is clear. We hope that Europe will work together politically and economically.

The EC and the markets in Southeastern Europe and Eastern Europe which are in developing stages will give enormous investment opportunities to the ROK on a long-term basis. I advise that the ROK will immediately take advantage of investment opportunities in this region and contribute to promoting the market economy and democracy in those countries.

Ladies and gentlemen: The enormous change after the end of the East-West conflicts has made us face challenges not before seen in history. However, profound change will give us very good opportunities. We have no reason to have a pessimistic view of the world. Germans and South Koreans can contribute to world peace with their allies. Germany can now make its share of contribution as a country that has achieved unification. I sincerely hope that that day will come to the Korean nation. [applause]

Leaves for Russia 3 Mar

SK0303031193 Seoul YONHAP in English 0303 GMT 3 Mar 93

[Text] Seoul, Mar. 3 (YONHAP)—German Chancellor Helmut Kohl closed his three-day trip to South Korea and left for Russia on Wednesday for summit talks with President Boris Yeltsin. Kohl, the first German leader to visit Seoul, came on the last leg of an Asian tour that took him to India, Indonesia, Sri Lanka and Japan. He and President Kim Yong-sam agreed at a summit Tuesday that North Korea must accept special inspection to remove suspicion of its secretive nuclear program and to strengthen economic, cultural and academic relations. He also discussed Germany winning Korea's 8.3 billion-U.S.-dollar high-speed railway project and asked for Seoul's objective decision in choosing the contractor.

ROK, U.S. To Hold Trade Talks 15-19 Mar

SK0303014[illegible]3 Seoul YONHAP in English 0128 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—South Korea and the United States will touch on some 30 pending trade issues, including intellectual property rights protection, during the first round of their annual working-level trade talks since the changes of government in both countries, government sources said Wednesday. The talks March 15-19 will be the highest at the working level, with the Foreign Ministry's director-general for trade and his U.S. couterpart leading delegations of directors.

Seoul hopes to persuade Washington to exclude Korea from its list of priority foreign countries in connection with the intellectual property rights issue. The list is scheduled to be drawn up in late April under the U.S. Trade Representative's Omnibus trade provision section 301, the sources said.

The two sides will continue quota negotiations for beef imports and discuss U.S anti-dumping investigations on Korean steel, reawarding the second mobile telephone project, opening Korea's financial market, expanding import liberalization, industrial standards, customs and quarantine procedures, and easing of sanitary inspections.

Also on the agenda are policies of getting enterprises to go public, enforcement of adjustment duties, restrictions on hazardous imports and sales of foreign cigarettes, sanitary inspections of cod and octopus, quality test and legal registration of cosmetics, plant quarantine, safety inspection on food, and import checks on medicines.

A meeting of the Korea-U.S. economic council, the top-level governmental trade talks is slated for next month. The Foreign Ministry and Washington are now arranging details of the agenda and topics.

Chip Duties May Cost U.S. Firms $600 Million

SK0303075393 Seoul YONHAP in English 0715 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—If South Korean computer chips are hit with final dumping duties of 20 percent, it will cost U.S. computer makers 600 million U.S. dollars a year, the Korea Semiconductor Industry Association (KSIA) said Wednesday. Korean semiconductor exports face a final dumping determination on March 15, after the U.S. Commerce Department provisionally held them for underpricing dram (dynamic random access memory) chips by between 87.4 percent and 5.99 percent on the U.S. market in its preliminary ruling on Oct. 21 last year.

With 20-percent tariffs on the Korean 1 mega dram and 4 mega dram chips, the American industry will be forced to swallow cost hikes of as much as 628 million dollars a year, according to a report by KSAI. It will have to absorb 314 million dollars of cost rises in the case of a 10-percent dumping margin on Korean chips.

Residents Near Camp Carroll Criticize U.S. Army

SK0303083093 Seoul HANGYORE SINMUN in Korean 26 Feb 93 p 12

[Article by reporter An Yong-su]

[Text] Residents of Woegwan-up, Chilgok County, North Kyongsang Province, have lived alongside a U.S. Army unit at Camp Carroll for 33 years. The camp was named after a U.S. sergeant first class who was killed in a Nakdong River battle during the Korean war. The residents have voiced an opinion that they should form a U.S. Forces-resident permanent consultative organ to actively handle various damages caused to the residents by the presence of the U.S. Army unit in that area.

The increasing number of residents feel that the size of the U.S. Army unit should be reduced or the unit should be withdrawn for long-term regional development.

Camp Carroll, which is situated in an area of 794 acres at the rear of Woegwan railway station, has 1,700 dwellers, including 1,100 U.S. soldiers, 200 members of the Korean Augmentation Troops to the United States Army, and 400 U.S. Army dependents. Some 1,800 ROK employees work for the unit.

In view of the fact that Woegwan has a total population of only 29,000, this unit has a great impact on the residents.

Wages paid to employed ROK workers by Camp Carroll had served as a major fund source in Woegwan area in the past, contributing to the prosperity of Woegwan, this had been the case of other U.S. Army units throughout the country. However, the number of nightclubs exclusively for foreigners, which had once numbered more than 50, decreased to 9. This indicates that the regional economic growth by the U.S. Army unit has become an old story as time passes by. The presence of the U.S. Army unit poses now a stumbling block standing in the way of the development of Woegwan area, causing a considerable inconvenience to the residents' daily life.

First of all, Woegwan-up, which Seoul-Pusan railway, Seoul-Pusan express highway, and four national roads pass through, is a key transportation point. Therefore, they can form an industrial belt in this town, which encompasses the area of Taegu and Kumi. This town also has a possibility of being able to convert itself into a large-scale residence area on the outskirts of large cities. However, the geographical location of the U.S. Army unit precludes this town with Nakdong River at its back from expanding further.

Around March 1991, the residents asserted that poisonous chemicals, including Malathion, which were stored in this unit, permeated the earth and contaminated underground water. Then, the U.S. Army authorities made a commotion by closing some underground wells in the unit. The nearby Tongjong ditch, into which the unit discharges contaminated waste water, emitted an offensive oily smell around September 1992. This has been generating endless environmental controversy.

More than one traffic accident a month involving U.S. Army trucks takes place. The current law stipulates that compensation be made one year after accidents happen.

This virtually makes it impossible for residents to receive compensation, resulting in an unfair loss to them.

Heads of local government organizations, including the county superintendent and chief of police, and the unit commander have often held ROK-U.S. friendship consultative meetings over luncheons. More and more residents feel that a permanent consultative organization comprising first-line residents' representatives, including members of the county council, and unit officials, should be formed to handle them because these kinds of meetings do not help solve pending problems related to the unit.

Chang Chae-kil, 44, member of the Chilgok County Council, said: "ROK-U.S. relations practiced up to now reveal that heads of local government organizations have failed to satisfactorily convey residents' complaints to the unit authorities." He added: "We badly need to establish a direct dialogue channel between ordinary residents and the unit authorities to truly develop the two countries' relations and build up their confidence."

U Tae-chu, 36, artist and member of the local youth organization "Chilgok Village Love" (Chairman: Chang Ho-chol, 36), said: "We conducted a public opinion poll of 150 residents. 20 percent of those polled favored the presence of the unit and 15 percent showed indifference to it, while 64 percent opposed it. This means that most of residents want withdrawal of the unit or reduction in the unit's size. He added: "We hope the day when early progress in North-South relations makes every one feel that the presence of the unit is no longer necessary will come.

Petrochemical Exports to PRC Increase 200 Percent

SK0303034193 Seoul YONHAP in English 0155 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—China imported 435 million U.S. dollars of petrochemical products from South Korea last year, up 207.6 percent from a year earlier, the Korea Petrochemical Industry Association said Wednesday. By comparison, China's petrochemical imports from Hong Kong were 364 million dollars, up 34.3 percent, and from Taiwan totaled 153 million dollars, up 96.1 percent. Korea sold 2.57 billion dollars of petrochemical products last year, up 56.7 percent from 1991, and bought 2.58 billion dollars worth, down 21.1 percent, for a deficit of 7 million dollars.

This year, exports will reach 3 billion to 3.3 billion dollars and imports between 2 billion and 2.1 billion dollars, so there will be a surplus for the first time, the association predicted. Korea bought petrochemical products worth 1.21 billion dollars from Japan last year, off 8.2 percent from a year before. This accounted for 43.3 percent of Korea's total petrochemical imports, up from 37.3 percent.

Government To Review Russian Loan Policy

SK0303014493 Seoul YONHAP in English 0008 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—The government of President Kim Yong-sam has decided to review South Korea's economic cooperation loan program for Russia made under the previous administration. Officials of the Economic Planning Board and the Foreign, Finance, and Trade and Industry ministries will get together within this month to discuss the overall issue, Finance Ministry sources said Tuesday. In a report, Finance Minister Hong Chae-hyong has called for such a meeting.

In their discussions, the officials are expected to consider three options—complete suspension of the loan program, partial reopening of tied loans for the purchase of consumer goods from Korea, or total resumption of the program, the sources said. Russia, which took responsibility for South Korea's loans to the former Soviet Union, has failed to pay interest on the tied loans for two months in a row.

It was also unclear whether Russia could carry out its promise to pay part of the interest on bank loans in aluminum ingots, the sources said. Russia signed an agreement in February to pay interest totaling 6.8 million U.S. dollars in aluminum ingots. Officials of the office of supply, who had visited Moscow to sign the contract, said it was doubtful Russia could ship 3,000 tons of aluminum ingots to South Korea within this month.

'Multinational' Asian Security System Option Viewed

SK0303042793 Seoul THE KOREA TIMES in English 3 Mar 93 p 6

[Editorial: "Multinational Security for Asia"]

[Text] The report that the United States is planning to establish a multinational security system for Asia draws our concern, as it signals a significant change in the U.S. conventional policy based on bilateral security agreements with its Asian allies.

According to the report, details of the proposed Asian security system will be disclosed by Winston Lord, assistant secretary of state for East Asia and Pacific Affairs, at a working-level meeting of the Association of Southeast Asian Nations (ASEAN) in Singapore in May.

Since World War II, the United States has been reluctant to create a multinational security system in Asia, especially after the unsuccessful experiment with the Southeast Asian Treaty Organization (SEATO). And, more recently, it opposed the initiative of former Soviet president Mikhail Gorbachev to form an Asian collective security system as per his Vladivostok declaration.

The Seoul government followed the Washington stance to reject the Gorbachev proposition and another similar suggestion presented by Japan, especially since South

Korea's defense is closely linked with the U.S. security policy under the two countries' Mutual Defense Treaty.

What has led to Washington's policy shift could be the Clinton administration's military disengagement and defense budget cut plans. Another reason may be the U.S. belief that the establishment of a multinational security system like the Conference of Security and Cooperation in Europe (CSCE) is needed in Asia, as Asian security is complicated with the continuing presence of Communist countries such as China and North Korea.

With the U.S. role as international police officer tending to dwindle, Asian countries will have to increase their multinational cooperation to maintain peace and stability in the region. To this effect, rich and bigger countries are expected to assume a greater role, although Japan's leadership is not welcome under the present circumstances.

The existing bilateral security arrangements should not be hastily changed until a viable new security system representing the post-Cold War structure is achieved in the region.

Kim Yong-sam Reshuffles Top DLP Posts

SK0303020593 Seoul YONHAP in English 0143 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—President Kim Yong-sam, who is also president of the Democratic Liberal Party (DLP), reshuffled top party posts Wednesday, naming Rep. Choe Hyong-u as the party secretary-general. President Kim also appointed former Secretary-general Kim Yong-ku as floor leader and Rep. Kim Chong-ho, a former floor leader, as chief policymaker. Kim named Rep. Sin Kyong-sik head of the DLP presidential secretariat and Rep. Kang Chae-sop party spokesman.

Meanwhile, presidential spokesman Yi Kyong-chae said Kim would not announce a reshuffle of vice ministers and heads of government agencies Wednesday as reported by the press. Yi did not say when the reshuffle will be carried out, but it is now expected on Thursday.

Choe Hyong-u, 57, one of Kim's closest confidants, is a five-term lawmaker from the Tongne district in Pusan, the political power base of the president. He began his association with Kim in 1971, when he was first elected to the National Assembly, and stood by Kim whenever the then-opposition leader came under fire from authoritarian governments. Choe also made enormous contributions to Kim's election as head of his private political organization, the Democratic Alpine Club.

New floor leader Kim Yong-ku, 53, is a four-term lawmaker who served as DLP secretary-general since May 1992. He was credited with skillful management of the party affairs despite factional in-fighting during the selection process of the party's nominee for president. Kim Yong-ku's appointment was seen as a move by Kim to appease the Democratic Justice Party faction in the DLP. Kim Yong-ku had served as chief secretary to the president of the now-defunct Democratic Justice Party, No Tae-u, and was chairman of the National Assembly Finance Committee.

Rep. Kim Chong-ho, 57, the party's chief policymaker, is a four-term representative from Koesan, North Chungchung Province. He had more than his share of troubles as an officeholder as he was forced to resign as Home Affairs minister in 1987 because of the torture death of a student activist, named Pak Chong-chol. He also had to resign as the DLP's floor leader in 1991, taking responsibility for railroading a controversial bill for the government purchase of grain through the National Assembly. Even though he was a member of the Democratic Justice Party faction, he switched horses and supported the candidacy of Kim Yong-sam at an early stage as an overall manager of the group pushing for Kim's nomination.

Rep. Sin Kyong-sik, 53, is a lawmaker from Chungwon, North Chungchung Province, has known Kim since he was a newspaper reporter. Sin also moved into Kim's camp at the time when the factional fight over the DLP nomination for president reached its peak. In May 1991, Sin, a two-term lawmaker, was chosen as Kim's chief secretary.

Rep. Kang Chae-sop, 45, had been a prosecutor before he served two terms in the National Assembly as a representative from Taegu. Because of his hometown background, he is popularly called "the last of the TK," a powerful group of people from Taegu and North Kyongsang Province. The new party spokesman was said to have been recommended strongly by his predecessor, Justice Minister Pak Hui-tae.

Act 'Solidified' Power Base

SK0303081393 Seoul YONHAP in English 0627 GMT 3 Mar 93

[By Cho Se-hyon]

[Text] Seoul, March 3 (YONHAP)—President Kim Yong-sam solidified his political power base by placing his closest confidants in key posts in the ruling Democratic Liberal Party [DLP] on Wednesday. Kim, who is also DLP president, named Rep. Choe Hyong-u, 57, secretary-general, and analysts say that Choe's appointment alone was enough to show Kim's determination to reform the party. The president named Kim Chong-ho the party's chief policymaker and shifted Kim Yong-ku from the job of secretary-general to floor leader.

Wednesday's reshuffle failed, however, to impress observers because the appointees do not live up to the expections of many for fresh faces, as in the cabinet appointments, who can carry out the president's reforms. But the appointments, especially that of Choe to the party's pivotal post, are more significant when viewed together with the earlier appointment of Pak Kwang-yong as chief presidential secretary and Kim Tok-yong as first state minister for political affairs.

Kim has now filled all important political positions both in the presidential office at Chongwadade and in the ruling party with loyalists who went through thick and thin with him. They are, one DLP member said, "comrades in arms who waged a struggle smelling teargas with him" against a succession of military governments and the "three pillars" on which Kim hopes to build his reformist government. Looked at another way, Kim's personnel appointments so far indicate that he intends to formulate and carry out national policies from a position of strength and at his own discretion, some analysts say.

If Wednesday's reshuffle is seen purely as a party affair, Kim's reform policy appears pronounced, even startling. First, the party has decided to reduce the number of employees from 1,700 and trim its structure to cut down on expenses. The idea obviously resulted from Kim's determination to wipe out the problems arising from the need for political funds, which he sees as the root of all political corruption. But more significantly, many observers say that the appointment of Choe as secretary-general was Kim's way of saying, "I am the party." In addition, it was seen as a warning by Kim that he will not tolerate any factional fighting in the DLP over not only policies but party politics, including the question of "his successor" or "the next generational leader."

Kim's warning, some analysts say, was primarily directed at members of the Democratic Justice Party faction, especially its powerful leaders like Reps. Kim Yun-hwan, a former secretary-general, and Yi Han-tong, a former contender for the presidential nomination. Many party insiders say they can already detect a phenomenon in which all submit themselves "like blades of grass" after the rain to the authority of the president.

By appointing Choe, a leading member of his own Reunification Democratic Party faction, Kim is also expected to strengthen his hold on party operations. The prospect is all the more likely because party Executive Chairman Kim Chong-pil has not settled himself into a commanding position. Despite his title, Kim Chong-pil could very well be bypassed in the channel of orders from the president to the secretary-general in managing the party, many observers believe. Kim Chong-pil and his followers in the party are said to be feeling "uncomfortable" with Choe's appointment, they say.

As for other posts, few observers find any significance in the choices of Kim Chong-ho as chief policymaker and Kim Yong-ku as floor leader. Kim Chong-ho was named policymaker not because of his expertise in formulating policies but because of his efforts to get Kim nominated as the DLP's presidential candidate. Kim Yong-ku was simply shifted to the job of floor leader from secretary-general because former Floor Leader Kim Yong-tae had to resign for health problems.

DLP's Minjong Faction Said 'Disappointed' With Kim

SK0303044093 Seoul THE KOREA TIMES in English 3 Mar 93 p 2

[By staff reporter Han Tong-su]

[Text] The ruling Democratic Liberal Party [DLP] is rapidly atrophying in the face of the storm of reform pushed through by President Kim Yong-sam upon his inauguration.

The feeling of letdown is palpable among middle-level bosses of the party's largest "Minjong" faction including Reps. Kim Yun-hwan, Yi Han-tong and Yi Chun-ku. The DLP was born in 1990 through the merger of the then ruling Democratic Justice (Minjong) Party, the Kim Yong-sam-led opposition Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party.

Their sense of alienation seems acute as President Kim never consulted with them in his appointment of cabinet members and presidential secretaries despite their enormous contribution to Kim's nomination as the DLP presidential candidate and his election as president.

The old guard, who have regarded themselves as "kingmakers," seem quite disappointed with the news that Kim will appoint Rep. Choe Hyong-u, a long-time loyalist, as the party's secretary general.

DLP lawmakers construe Choe's appointment as Kim's intention to command the ruling party by himself and utilize the party as an arm in his bold reform program during his five-year term.

Political analysts also view that President Kim, a former lawmaker who served a record nine terms, will tightly control the party through a streamlined party command structure, like that of the late president Pak Chong-hui who held the now defunct Democratic Republican Party strictly under his grip.

They said that Kim needs strong Assembly backing to have his reform program succeed. Kim wants the ruling party and the National Assembly to rubber-stamp the action programs of the reform drafted by the presidential office and the cabinet without hitch, they added.

As part of the party streamlining plan, President Kim is considering abolishing the posts of co-chairmen in the ruling party, a system smacking of collective leadership. The chairmanship system is a legacy of the three-party merger and Kim, who was once an executive chairman, feels no need to keep it.

Rep. Kim Yun-hwan, who played a decisive role in making Kim Yong-sam president, and other middle-level bosses in the DLP are keeping a low profile, apparently mindful of Kim's style of governing. Once having made a decision, Kim rarely looks back and get rid of obstacles mercilessly to achieve his goal.

Aides to Rep. Kim said that Kim feels despondent about his alienation from the decision-making process in the ruling camp recently.

Rep. Yi Han-tong, who worked hard for Kim's election during the campaign period, is taking a wait-and-see attitude, refraining from active politicking.

According to his aides, Yi is also apparently disappointed by his alienation from the mainstream of politics recently. He is particularly dismayed the exclusion of Rep. Kim Yong-ku, the incumbent DLP secretary general who commanded the party's campaign apparatus last December, from the newly formed cabinet. Rep. Kim is affiliated with Yi's faction.

Many members of the Minjong faction complained that President Kim has alienated them from important decision-making processes, while giving extraordinary favors only to his aides from the opposition camp.

They fear that they, long-time beneficiaries during the military regimes of the past, may become victims of the sweeping reform now pushed by the president himself.

DLP Executive Chairman Kim Chong-pil also does not seem to be pleased with Kim's bold reform, even though he is sometimes informed of the reform plan by the president himself.

Kim Chong-pil, who engineered the 1961 military coup along with the late Pak Chong-hui, apparently wants the new president to slow down the speed of his reform program.

In a meeting with reporters yesterday, Kim indicated his apprehension, saying, "It is not desirable for a marathoner to spurt in the initial phase of the run. He is sure to collapse well before the finish line."

Kim also said euphemistically, "We can find something new and something good even in old things."

Political observers said that President Kim may not keep Kim Chong-pil, a coup mastermind who has been regarded by the people as the leader of those having vested interests in the establishment, as the representative of the party for very long.

"This is because Kim is sure to become a stumbling block in Kim Yong-sam's reform path," a political analyst said.

"Kim Yong-sam may retain Kim Chong-pil as party representative because it will be difficult to find an alternative for the time being," he said. "Kim will remain as a figurehead. President Kim will firmly control the party himself through the new secretary general."

Aides to President Kim have long insisted that the reform start from within the ruling party and that it is difficult to carry out the task with the current leadership, indicating an eventual ouster of the old guard.

United People's Party Closes Headquarters

SK0303040293 Seoul THE KOREA HERALD in English 3 Mar 93 p 2

[By staff reporter Choe Sang-hun]

[Text] If there were any optimists left in the United People's Party [UPP], the past weekend was their 11th hour. The party's name plate has been removed from an imposing headquarters building on Seoul's main boulevard. The few remaining staffers received their last paychecks last Saturday—and they began packing to leave.

Over the weekend, while the nation was engulfed by the hoopla of a new presidency, a less-spectacular political vanishing act was taking place. Gone is the nation's third largest political party. What remains is a heavy residue of cynicism about a petulant tycoon's presidential "bubble."

With the shutdown of the UPP headquarters, Chong Chu-yong, the billionaire founder of the Hyundai conglomerate, has finally folded the tent of his grand political circus, which he started one year ago with a messianic vision of himself.

The disintegration of the party has taken more time than Chong expected. Stunned cries of betrayal followed his abrupt retreat from politics early last month. Some party lawmakers angrily protested what they called a political ploy to break up the party.

To undo this gritty resistance, Chong used the most powerful weapon he has: money. The first thing he packed when he departed the party was its account books. His high-spending presidential campaign left the party heavily in debt. His message was clear: if you want to keep the party going, you will have to pay the debts (totaling some 40 billion won).

Understandably, the tactic worked. Despite their initial vigor, the "protectors" of the party began wobbling. Party leaders were apparently helpless. Kim Tong-kil, who replaced Chong as the executive chairman, admitted that it is "beyond my ability" to continue to lead the party.

A Hyundai subsidiary owning the headquarters building asked the party to move out by last Sunday. A sense of utter dejection prevailed. Co-chairman Yang Sun-chik fled the "sinking ship" Saturday, withdrawing his party membership. Kim flew to the United States Sunday for a "lecture tour." Now the party is virtually defunct.

Chong's brief political career was one breathless roller-coaster ride from stunning early success to ultimate failure. Outspoken, self-confident and abrasive, Chong was a maverick and a boat-rocker who threatened to upset a rickety boat we call the political establishment. With his pungent one-liners about corruption, he kicked the incumbent politicians in the political groin. He was fun to watch.

As a two-month-old political neophyte, Chong got himself the nation's third largest political party with 31 National Assembly seats.

But his momentum toward national power collapsed with the Dec. 18 presidential election last year. He finished third—far behind Kim Yong-sam, whom he often derided as a "thick-headed idiot."

Humbled by the voters and shaken by hard-nosed government pressure, Chong pulled the dramatic bugout early last month, saying he was bowing out of politics.

This cocky, self-made billionaire got his first taste of big-time South Korean politics, and the taste he got was bitter. But some say Chong's political future may not be over yet. Talk of forming a new political group with the UPP deserters has already cropped up.

Chong has reportedly pulled his loyalists out of the party and promised them continued financial support. To what end? Observers say that Chong wanted to use them to protect his business empire.

Whether or not Chong has severed his ties with politics completely, his eccentric presidential campaign will certainly influence future campaigns. He bucked decades of traditional big business partnership with the government. He demonstrated what politicians could learn from business strategies. His party's newspaper ads have already been institutionalized by the other parties.

Some voters were exhilarated by this banty billionaire who didn't need to take a penny of anyone else's money to run his campaign.

His compelling presence enlivened the otherwise lackluster campaign. With his populist remedies to the nation's economic woes, he forced the other candidates to focus on issues. In the process he gave a voice to millions of angry voters disenchanted with politics as usual. His wild campaign will be talked about for years to come.

So much for the good, perhaps. He leaves behind the broken dreams of thousands of volunteers who poured themselves into his presidential effort.

His biggest sin may well be that he has "commercialized" politics. His "money politics" provided a showcase of how a rich businessman could try to buy his way into political power.

Chong shut down his party with all the brutality of a plant manager firing loyal workers at Christmas. "He is a businessman. He believes that one cannot make good decisions with emotions," a former UPP official said. Like the good businessman he is, Chong may have calculated that keeping the party going was unprofitable.

There may be nothing wrong with running a political party in a businesslike fashion. But voters want more from political leaders than the bottom-line. Here lies his main flaw as a political character. With money, you can build ships and cars, but with money you cannot always win votes.

Vice Ministers Resign for New Appointments

SK0303040193 Seoul YONHAP in English 0250 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—Most of vice ministerial level government officials, chiefs of district prosecutor's offices, ambassadors in key countries and heads of government-invested organizations, have submitted their resignations or expressed their intention to do so, an informed source said Wednesday.

Vice ministers handed in their resignations on Monday or Tuesday to the new ministers. Six commissioners of the Board of Audit and Inspection [BAI] and the 12 chief district prosecutors resigned on Tuesday to give President Kim Yong-sam a free hand in selecting people to fill vice ministerial level posts in his government, informed sources said.

President Kim Yong-sam is to name new vice ministers and administrators on Thursday and will appoint provincial governors, mayors, chief district prosecutors and ambassadors to the United States, Japan and other major countries later. There are 70-odd vice ministerial level officials, including 24 vice ministers, 13 administrators, 15 governors and mayors, and six commissioners of the BAI. Most of the chiefs of the 23 government-invested organizations and 25 institutions affiliated with government ministries have handed in their resignations, the sources said.

Editorial Views 'Tone' of Kim Yong-sam's Cabinet

SK2702032593 Seoul THE KOREA HERALD in English 27 Feb 93 p 6

[Editorial: "Tone of Kim's Cabinet Lineup"]

[Text] President Kim Yong-sam yesterday announced his cabinet as well as the director of the Agency for National Security Planning and the mayor of Seoul, which imparts overall a tone of freshness, modesty and technical prowess. The heavy emphasis on professional expertise and experience in the new cabinet is a positive step toward mounting vigorous reforms based on stability and toward civilianizing the government.

The appointments reflect the firm intention of President Kim to build what he describes as a "new Korea," by virtue of a host of "new faces" in the ranks. A glance at the lineup of the new cabinet officers is enough to see that the appointments were intended to breathe a fresh spirit into the higher ranks of the administration, while sustaining the need for technocrats in vital portfolios. The strongly non-bureaucratic color of the new cabinet should enable the new ministers to attack bureaucratic lethargy and incompetence more vigorously and objectively.

Deputy Prime Minister-Economic Planning Minister Yi Kyong-sik brings his profound expertise in business and finance to the crucial post, while all of his subordinate ministers in charge of economic affairs are men of tested capability and integrity. The appointments of Han Wan-sang, a college professor, to the post of deputy prime minister-minister of the Unification Board, and another college professor Han Sung-chu as foreign minister are indicative of President Kim's venturous resolve to refresh the portfolios with creativity. Yet more surprising could be the naming of Kim Tok, a career college professor, as the chief of the nation's top intelligence apparatus. It follows President Kim's repeated advocacy for a need to drastically revamp the powers and functions of the intelligence arms and his desire to civilianize the administration. The naming of Kim Sang-chol, a practicing lawyer, as Seoul mayor, also indicates the President's unusual approach.

Now that the cast is complete, it is time for the nation to afford opportunities for the full exercise of their caliber, expertise and devotion to the public good. A verdict on the new appointments could rightly be passed less on their past credentials as on their future performance, based on honesty and sincerity.

Facing the new cabinet is the enormous and elusive task of broadening the scope of reforms without risking social stability and national security. The incoming administration is required to find a happy medium between these clashing values through harmony and responsiveness. The new cabinet also faces the difficult task of putting the brakes on the sliding economy and turning it around with increased exports and other boosting measures.

Heightened expectations are staked on the imaginative and dynamic role of the new cabinet for reinvigorating the dampened and bewildered minds of the people and rallying the whole nation behind the cause of a "new Korea." It is time for both the new government and the people to rise from frustration and self-abandonment and pool their resources and energies together to build a strong and prosperous nation. To make President Kim's reformist bid, well shown in yesterday's appointment, successful, followup measures are necessary in practical terms. All told, his venture is worth undertaking.

Korea Broadcasting System President Resigns

SK0303073293 Seoul YONHAP in English 0628 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—Korea Broadcasting System President So Ki-won handed in his resignation to Information Minister O In-hwan on Wednesday. So, whose term expires in late March, said: "At the start of a new government, I felt I'd better resign."

New President Briefed by Defense Ministry

SK0303083693 Seoul YONHAP in English 0802 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—President Kim Yong-sam has urged the military to make itself trusted and loved by the people. He also said the military should become a future-oriented, efficient and economic organization prepared for unification. Kim gave his instructions Wednesday in a briefing by Defense Minister Kwon Yong-hae on the work of his ministry and the Armed Forces.

Gen. Yi Pil-sop, chairman of the Joint Chiefs of Staff, was among the 25 senior officers at the meeting, which Kim called to familiarize himself with the military command system in his capacity as the supreme commander of the Armed Forces and to encourage around-the-clock vigilance for national defense, presidential spokesman Yi Kyong-chae said. The Defense Ministry was selected as the first government agency to report its work to the new chief executive because of the importance of national defense, Yi said.

"Democracy and economy can flourish only when supported by a solid footing of national defense," Kim was quoted as saying. "The government will strengthen the nation's comprehensive security capability through balanced development of not only military power but peace potentials such as diplomacy, economy, science, and technology," Kim told his senior commanders.

Ministers Meet To Discuss Reviving ROK Economy

SK0303042093 Seoul THE KOREA HERALD in English 3 Mar 93 p 8

[Text] In their first meeting since they took office Friday, economic ministers of the new government led by President Kim Yong-sam yesterday gathered to formulate measures to revive the nation's sagging economy.

The meeting, chaired by Deputy Prime Minister-Minister of Economic Planning Yi Kyong-sik, was attended by 10 other ministers, including Minister of Finance Hong Chae-hyong, Minister of Trade, Industry and Resources Kim Chol-su, Minister of Labor Affairs Yi In-che and Minister of Agriculture, Forestry and Fisheries Ho Sin-haeng.

Topics at the meeting included pump-priming measures and steps for increasing the overseas shipments of Korean industries, a spokesman of the Economic Planning Board [EPB] said.

Information on what specific measures the participants decided on for curing the ailing Korean economy was not immediately available.

Also on hand was Cho Sun, governor of the Bank of Korea, the nation's central bank.

In a meeting with EPB officials earlier yesterday, Deputy Prime Minister Yi said the government is required to quickly present a schedule for the introduction of a real-name financial transactions system and removal of administrative red tape.

"Needed are measures to fuel the sagging economy over a short period of time and steps to curtail inessential fiscal spending," Yi said.

The economic ministers are scheduled to meet President Kim today to brief him on the situation facing the Korean economy and present measures designed to jump-start the staggering economy.

The Korean economy, which has grown often at a double-digit rate in the past, expanded an estimated 4.5 percent last year, with the growth rate dipping to around 2 percent in the fourth quarter.

Factors behind the sagging economy include sluggish investment, slowing local demands and the worsening competitiveness of the Korean industries in overseas markets.

It will take a long time for the Korean economy to regain a 7 or 8 percent growth rate fueled by the manufacturing sector, said Yi.

"Regaining economic vitality will require both short-term and long-term measures," he added.

In recent years, Korean manufacturers, especially exporters, have been troubled by soaring wages and high interest rates on their loans, resulting in a decline of both their international competitiveness and profitability.

An official at the Korea Chamber of Commerce and Industry, however, said the new government has little choice of policy options with which to revive the sagging economy.

Feb Exports Expand 16 Percent

SK0303033993 Seoul YONHAP in English 0149 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—Exports grew 16 percent in February over a year earlier to 5,969 million U.S. dollars, posting their first double-digit rise in five months, the Trade, Industry and Resources Ministry said Tuesday. Imports reached 6,494 million dollars last month, up a paltry 2 percent from a year earlier despite measures to boost facility investment and relaxation of building restrictions. The trade deficit was 525 million dollars on a customs clearance basis, down 695 million dollars from the same month last year.

Export prospects are bright as arrivals of letters of credit, which forecast shipments two to three months ahead, rose 19.1 percent to 3,736 million dollars. Korea also issued 4,695 million dollars of import licenses last month, up 14.3 percent over a year earlier. Exports to the United States surged 15 percent and, despite the depreciation of the Chinese currency, shipments to China showed three-digit growth. Exports to Japan and the European Community continued to decline. All exports except footwear, petrochemicals, containers, and ships were brisk.

Public Service Charges Generate Inflation Pressure

SK0303043093 Seoul THE KOREA TIMES in English 3 Mar 93 p 9

[Text] The specter of inflation is haunting the nation again as a string of hikes in public service charges has generated inflationary pressures.

Consumer prices rose 0.7 percent in February over January, bringing the inflation rate during the first two months of this year to 1.5 percent.

The 1.5 percent gain was a slight increase compared with the 1.3 percent registered in the same period of last year, the National Statistical Office [NSO] said yesterday.

But producer's (wholesale) prices remained stable with a low 0.1 percent gain in February, the Bank of Korea said.

The price spiral in February was attributed largely to hikes in public service charges. Following a sharp increase in bus fares in January, railway and subway charges and pay phone fees rose sharply during February.

Officials at the Economic Planning Board said inflationary pressures will continue to intensify in March due to a price hike schedule for school tuition fees and medical insurance rates.

The NSO reported the rise in public service charges in January and February at 3.4 percent, more than twice as much as the average inflation rate.

In February, prices of vegetables, fish and fruits plummeted 0.7 percent while those of 30 basic commodities rose 0.8 percent.

Farm, livestock and fisheries product prices dropped 0.2 percent but prices of industrial goods registered a 0.5 percent gain.

Price increases were reported for rice (2.5 percent), tangerines (6.7 percent), pears (10.3 percent), milk (2.2 percent), beer (2 percent), and newspaper subscription fees (20 percent).

Price decreases were reported for red pepper (0.5 percent), beef (1.7 percent), pork (1.7 percent), and eggs (10 percent).

For the whole of last year, the consumer price index rose 4.5 percent, ending the price spirals of the previous two years. Consumer prices soared 9.4 percent in 1990 and 9.3 percent in 1991.

Minister: Interest Rates Liberalized in Mar

SK0303125093 Seoul YONHAP in English 1228 GMT 3 Mar 93

[Text] Seoul, March 3 (YONHAP)—A second-stage interest rate liberalization is expected to be announced within this month. Finance Minister Hong Chae-hyong told a press conference Wednesday that if the current interest rate stability goes on, his office would effect a second-stage liberalization before the end of this month. Hong said conditions for full-fledged interest rate liberalization have been ripening as the downward readjustment of regulated interest rates, effected on last Jan. 26, has begun to pay off and market interest rates remain stable.

The finance minister also said his ministry would work out by the end of coming May a plan of the real name financial transactions system. A Finance Ministry official said that even though demand for funds would seasonally increase beginning April, there would be no substantial rise in interest rates because the government would operate money supply flexibly. Moreover, the government is not in a position to put off indefinitely the time of pledged interest rate liberalization in a circumstance where the clinton administration's pressure is expected to mount for monetary market opening, the official said.

Burma

Convention Delegates To Hold Panel Discussions

BK0303075793 Rangoon Radio Burma in Burmese 0630 GMT 3 Mar 93

[Text] The plenary session of the National Convention was held at 1000 this morning at the Central Meeting Hall in the President's House compound on Ahlone Road, Yangon [Rangoon]. Today's plenary session of the National Convention was attended by Major General Myo Nyunt, chairman of the National Convention Convening Commission, and commission members; U Aung Toe, chairman of the National Convention Convening Work Committee, and committee members; Brigadier General Tin Aye, chairman of the National Convention Management Committee, and committee members; local and foreign journalists; and convention delegates.

U Aung Than from the group representing technocrats and intelligentsia chaired today's meeting with the following as members of the Panel of Chairmen: U Aye Thwin, U Tha Zan Hla, U Mahn Tin Aung Than, U Naing San Shein, U Sai Tint Aung, U San Tin, U Kyi Aye, and U Za Khung Ting Ring. U Khin Maung Myint acted as secretary of the meeting.

The secretary of the meeting declared the session valid with an attendance of 678 delegates. Next, U Aung Than, alternate chairman, delivered an address. The plenary session of the National Convention was adjourned at 1055 to enable groups of delegates from various groups to hold panel discussions in their respective meeting rooms at the Kyaikkasan Grounds.

Convention Proposes 18 Constitution Chapters

BK0303101493 Hong Kong AFP in English 0904 GMT 3 Mar 93

[Text] Rangoon, March 3 (AFP)—A total of 18 chapters including a preamble were proposed at a plenary session of the constitutional convention here Wednesday for inclusion in a new constitution aimed at turning Burma into a democratic state. The state media meanwhile spotlighted the unanimous decision of all the eight groups representing political parties, ethnic groups and mass organizations to accept as one topic for discussion the role of the military in future politics.

The military has said that as the defenders of the nation, the convention should enshrine a leadership role for them in politics, but have not detailed how they expect the role to be defined in conjunction with a multi-party system.

Convention sources said the controversy over whether or not the military should participate in the leadership role in a future democratic Burma has yet to be resolved with some going for the idea and others advocating a subordinate role.

In presenting the chapter heading suggestions to the 678 delegates present at Wednesday's plenary session, panel chairman Aung Than explained that over 360 chapter headings had been proposed by the eight different groups of delegates. Some 160 of them were found to be generally advocating the same ideas, he said.

Aung Than said a further breakdown revealed they could be classified into 18 groupings in which, other than the wording, the essence was the same. He therefore suggested 18 chapter headings.

The suggested headings are: the preamble, basic principles, state structure, head of state, legislature, executive, judiciary, military, local administration, citizens, service personnel, elections, political parties, state of emergency, amendments, flag, emblem, national anthem and capital, transitional period and general.

The delegates, Aung Than said, could now continue their group discussions to decide on the final chapters to be included. No time limit has been specified for the duration of the discussions, according to the panel chairman, who further invited delegates to discuss "to their hearts' content" before arriving at a general consensus.

At a recent press conference held especially for visiting journalists, a military spokesman maintained that they would accept the outcome of the convention, no matter what it was, and respect the constitution. The plenary session Wednesday ended after 50 minutes with the delegates dispersing to continue their group discussions.

Kachin Group Defends Talks With Government

BK2702021793 Bangkok BANGKOK POST in English 27 Feb 93 p 7

[Text] The Kachin Independence Organisation (KIO) has denied splitting from other minority groups in the struggle against the Rangoon government. In a statement dated February 25 and released yesterday, the KIO said it wanted to clear up "continuing rumours and inaccuracies in the international press".

The KIO defended its dialogue with the Rangoon military junta, saying talks based on a spirit of understanding and reconciliation were a prerequisite for peace in Burma. It expressed hope that dialogue would become "instituted", which would eventually lead to a just settlement for all nationalities in Burma.

The KIO said it recognised that "Burma's political problems of democracy and ethnic rights were interlinked and one ethnic group cannot be separated from another in the pursuit of justice and equality" "...despite the many sufferings of the Kachin people and their ethnic brothers...the KIO, while never giving up on its right to self-determination and the right to bear arms, will continue to explore each and every avenue which leads to the prospect of real peace, democracy and justice for all the nationalities of Burma," the statement said.

Brunei, Malaysia & Singapore

Malaysia

Reportage on Russian Vice President's Visit

Backs IAEA Inspections 'Generally'

OW0203140693 Tokyo KYODO in English 1321 GMT 2 Mar 93

[Text] Kuala Lumpur, March 2 KYODO—Russian Vice President Aleksandr Rutskoy said Tuesday that Russia supports international inspections of suspected nuclear arms production facilities, but stopped short of calling for such checks in North Korea.

"Our position is that we support inspections, generally speaking, to identify the situation on the spot," he said when asked to comment on a demand by the International Atomic Energy Agency (IAEA) for a special inspection of North Korean nuclear facilities.

Russia supports the IAEA's efforts to determine whether such facilities were suspected of being used for nuclear arms production, Rutskoy told a news conference on the second day of his three-day visit to Malaysia.

But he withheld comment on whether North Korea should abide by the IAEA's call last week that it agree to allow inspections of two suspected nuclear sites at its Yongbyon facility within a month.

Rutskoy said Russia will "come out with some judgment" after it has studied reports by the IAEA.

The Vienna-based IAEA, a United Nations body that monitors nuclear facilities, gave North Korea the one-month deadline for special inspections after it found discrepancies in analyses of material from six inspections of its nuclear facilities.

Pyongyang refuses to comply with the demand, saying the IAEA's report was based on fabricated information given by the U.S. It maintains the sites are military facilities not covered by the nuclear nonproliferation treaty, of which it is a signatory.

Apart from the U.S., Japan and Germany have also urged North Korea to allow the inspection.

Rutskoy also told the news conference Russia has finally agreed to accept a barter trade arrangement with Malaysia that includes palm oil and textiles as part payment for its proposed sale to Malaysia of MiG-29 fighter jets.

Malaysia is keen to buy up to 30 MiG-29 jets from Russia but almost two years of negotiations have been stymied because Russia insisted solely on much-needed cash.

Rutskoy met Malaysian Prime Minister Mahathir Mohamad earlier Tuesday and made a fresh proposal on the MiGs which included setting up a joint venture to manufacture the aircraft's' spare parts and train personnel.

Rutskoy declined to reveal details of the proposed sale, but said Russia's price for the jets are "20 percent to 30 percent less than what is being offered" by U.S. aircraft manufacturers. A MiG-29 costs about 24-27 million dollars depending on equipment.

The revised Russian offer follows a recent sales pitch to Malaysia by U.S. companies McDonnell Douglas Corp. and General Dynamics to sell F/A-18D and F-16 fighter jets.

Rutskoy, who said Russia is "ready to proceed with the deal, even tomorrow," said Russia is also keen to sell Malaysia other defense hardware.

Rutskoy, who is on a visit to three Asia-Pacific countries, leaves for New Zealand on Wednesday and later to Singapore.

Seeks Defense Industry Joint Ventures

BK0303042493 Kuala Lumpur BERNAMA in English 0316 GMT 3 Mar 93

[Text] Kuala Lumpur, March 3 (OANA-BERNAMA)—Russia is offering Asia-Pacific countries opportunities for joint ventures, especially in the air and defence industry, space technology, and shipbuilding in which it has vast expertise and experience.

Visiting Russian Vice President Aleksandr Rutskoy said his country, now in the process of building an open economy, was rich with opportunities that could be tapped for mutual benefit.

Granted, there is a risk. But, can you name any major state, in particular, of such gigantic proportions which would povide an insurance policy for all contingencies?

The strong win while those who hesitate are doomed to lag behind, he told foreign diplomats, academicians, and senior government officers at a talk at the Institute of Diplomacy and Foreign Relations here.

Speaking on Russia and Asia: Avenues for Cooperation and Integration, he said the Asia-Pacific region was rich with goods that were needed by the Russian economy like vegetable oils, rubber, non-ferrous metals, and high technology.

For its part, Russia can offer to ASEAN and Asia-Pacific countries diverse machines and equipment, sophisticated technologies, and various raw vaterials, said Rutskoy, who arrived here Monday for a three-day visit. Rutskoy, who is the highest-ranking Russian official to visit Malaysia, cited the conversion of Russian defence industry as an emerging factor for interaction.

Please give serious consideration to this since this is a new phenomenon with vast potential for international cooperation, including regional one, he said. He also singled out the air industry and shipbuilding as prospective cooperation areas, saying that most Russian-made aviation equipment, transport and civilian aircraft, and helicopters were superior to those produced by other countries.

Rutskoy also said that Russia was prepared to take ASEAN interests into outer space in areas like telecommunications, new materials, and geoclimatic photography. Joint venture projects could be carried out on the basis of joint financing, manufacturing, and marketing, he added.

For the first time in history, Russia is opening itself to the world in this area. In doing so, it does not pursue any selfish interest, he said. In developing relations with other countries, he said Russia's basic approach was to have willingness to engage in the most wide-ranging dialogue, non-interference in each other's internal affairs, respect for the political and social economic identities of nations in the region, and the desire to act in concert for the sake of development.

He said: It is fully in the national interests of Russia, just like in those of ASEAN countries, to have equal and respectful partnership between the states in the Asia-Pacific region. We are against any power hegemony in any form replacing the former bipolar world pattern. The world has suffered enough from both hegemony and hegemons. [as received]

He also said that Russia's main priority in its foreign policy was to correctly define Russia's national interests in the world and to find adequate ways of dovetailing them with the interests of other states and communities.

As a reliable and responsible partner, he said, Russia is not only ready but interested in supporting any constructive ideas that ASEAN countries and other countries of the region [words indistinct] might offer economic and political breakthroughs for the benefit of peace and cooperation.

Offers MiG-29 Offset Programs

BK0303042693 Kuala Lumpur BERNAMA in English 0326 GMT 3 Mar 93

[Text] Kuala Lumpur, March 3 (OANA-BERNAMA)—Russia has promised Malaysia a host of attractive technology-based offset programmes in its renewed offer to sell its MiG-29 fighter aircraft. The offer was made by visiting Vice President Aleksandr Rutskoy in his talks with Prime Minister Dr. Mahathir Mohamed.

Describing the offer as a beginning of a long road to a mutually beneficial economic and trade relations between Malaysia and Russia, Rutskoy said they were willing to accept payment partly in hard currency and another in counter-trade worth several billion ringgit.

We are even prepared to help Malaysia launch into space its own communication satellite if the MiG-29 deal is clinched, the Russian leader said at a news conference here Tuesday.

This (MiG-29) deal is not just a single buy, it is in fact a long-term commitment with ample opportunity to serve various bilateral interest including that of the private sector, he said, stressing that the counter-trade Russia offered consisted of purchase of palm oil, fabric, and textiles. Russia is a major importer of Malaysian palm oil.

The 45-year-old second highest Russian leader after President Boris Yeltsin said the deal would also help benefit other Southeast Asian countries through high technology development in Malaysia.

Rutskoy, who declined to reveal details of the original offer and the renewed one made to Dr. Mahathir Tuesday, said the Russian Government had significantly reduced the purchase package to as much as 20 percent to demonstrate its seriousness.

The renewed (?offer was made) in the wake of a fresh counter-offer made by American aircraft manufacturers who had offered several variants of its F-16 Falcon and F/A-18 Hornet to meet future requirements of the Royal Malaysian Air Force (RMAF).

McDonnell Douglas Corporation, manufacturer of F/A-18 and F-16, and General Dynamics' officials who were in town recently, held talks with Defence Minister Najib Razak on the counter-offer.

Rutskoy said the MiG-29 was a fighter aircraft in its own class and was comparable to the ones manufactured by British (Tornado Adv and IDS variant), French (Mirage 2000N), and U.S. (F-16 and F/A-18).

When asked how far they are from the deal being concluded, Vice President Rutskoy said: If you ask me, I will say we are ready to sign anytime now...even tomorrow if Malaysia agrees. He said it was all up to Malaysia.

The Russian leader who is a former pilot of the Soviet Union Air Force, said his visit here was not by coincidence in the light of the Russian offer, but more of fact-finding mission to explore and to formalise economic and trade relations with Malaysia.

Ends Visit, Leaves for New Zealand

BK0303111893 Kuala Lumpur BERNAMA in English 0900 GMT 3 Mar 93

[Text] Kuala Lumpur, March 3 (OANA—BERNAMA)—Malaysia has better options in procuring fighters for its Air Force following the various bids and counter-offers made by defence companies from the United States and Russia, Defence Minister Najib Razak said Wednesday.

We will benefit from the competition in the sense that there are better options available technologically and at competitive prices, he told reporters after discussions with Russian Vice President Alexander V. Rutskoy at the Defence Ministry here. Najid said besides the MiG-29 M fighters, the Russians had also offered a range of other aircraft types, including some still under development.

The Russian leader, on a three-day visit, has offered other incentives to get Malaysia to buy the MiG-29 M fighters.

Rutskoy, who spent about an hour with Najib, later left for New Zealand, the second leg of his three-nation tour of the region that includes Singapore.

During talks with Malaysian officials Tuesday, the Russian delegation came up with a fresh package offering the MiG-29 M version along with incentives that include a training programme, local manufacture of aircraft spare parts and transfer of techonology in future upgrade of the aircraft.

Confirming this, Najib said: "They have offered not only then setting up of support and maintenance facilities but also the manufacture of spare parts and assistance in future improvement in avionics, airframe, and weapons systems."

He said besides combat aircraft, the Russians had also offered the latest sophisticated weapons for the Army and Navy.

Najib said the Russians also confirmed their participation at the Langkawi International Maritime and Aerospace (LIMA) exhibition in Langkawi later this year. The Russians made their first showing in Langkawi in a big way in November 1991, with two huge transports, a helicopter and two fighters, including the MiG-29 C. The M version was still in the final stages of development then.

Singapore

U.S. Official Denies Plan for Asian CSCE

OW0303102593 Tokyo KYODO in English 1003 GMT 3 Mar 93

[Text] Singapore, March 3 KYODO—A senior U.S. Embassy official denied Wednesday a Japanese newspaper report that the United States wants to propose an Asian version of the Conference of Security and Cooperation in Europe (CSCE).

"I'm puzzled by the report. It's completely inaccurate. We haven't changed our position on regional security talks in the region," the diplomat said in a telephone interview.

"We don't at this time see the need for a highly structured body such as the CSCE in Europe here in this region," the diplomat said.

The YOMIURI SHIMBUN, Japan's biggest-selling newspaper, reported Monday that the U.S. wants to form within five years a multinational security arrangement covering the whole of Asia.

The plan raises the prospect of the formation of an Asian version of the CSCE, to which the U.S. has previously taken a negative stance, the newspaper said.

It said details of the plan would be unveiled by U.S. Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord at a meeting of senior officials of the Association of Southeast Asian Nations (ASEAN) expected to be held in May in Singapore.

The newspaper said the alleged U.S. policy change was because Washington was aware that it can no longer serve as the sole global watchdog, and that cooperation with other nations is indispensable for security.

The U.S. diplomat said the U.S. is still very much committed to the region even though it is reducing its military presence.

In the last two years, Washington, which had long preferred bilateral security arrangements rather than multilateral ones, has been more supportive of multilateral security forums for the region, he said.

But such support will continue to be confined to existing forums like ASEAN's dialogues with its major trade partners such as the U.S. and Japan, which have been held after annual meetings of ASEAN foreign ministers, and which have been expanded to cover security issues since last year, the diplomat said.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

A Japanese diplomat said the plan reported by the YOMIURI sounded "very strange because the United States has been against such an idea as to have CSCE style framework for the region" and added that he doubted the credibility of the newspaper report.

But Mike Yeong, a security analyst at the Institute of Southeast Asian Studies in Singapore, said the administration of U.S. President Bill Clinton might "be eager" for a CSCE type system for the region as Clinton pushes for defense cuts to focus on reviving the U.S. economy.

"They have to find ways to ensure that conflicts do not erupt. This is what they call preventive diplomacy," Yeong said.

The U.S., however, is likely to use ASEAN's existing conference with its dialogue partners as the basis for a gradual move toward a multilateral arrangement for the region, rather than start from scratch, he said.

Cambodia

Spokesman Denies Armed Forces Include Vietnamese

BK0203160493 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 2 Mar 93

[Text] Khieu Kanharit, Cambodian Government spokesman, and General Pan Thai, adviser to the prime minister, held a weekly news conference in the presence of national and international reporters and representatives from numerous embassies in Cambodia on the morning of 2 March. The spokesman said that His Excellency Cambodian Prime Minister Hun Sen visited Kampot Province and urged the province's officials to strive to provide effective protection to offices of different political parties in their localities as this is indispensable to creating a neutral political environment for the process of holding fair elections in Cambodia. His Excellency Hun Sen also asked all military forces to remain calm and not launch any counterattack against the Khmer Rouge, which could carry out activities during the traditional new year celebration and disturb the electoral campaign due to begin soon. However, we should, all the same, keep bolstering our troops.

Khieu Kanharit also welcomed the UN Transitional Authority in Cambodia [UNTAC] meeting of the countries pledging to give aid to Cambodia. He said that assistance in rehabilitating Cambodia's economy is part of the conditions stipulated in the Paris peace accord. He added that the aid is also necessary to save the Cambodian people from famine, to improve their living conditions, and to create favorable conditions for the election process. Nevertheless, the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia Party and the Khmer Rouge have rejected the assistance. The spokesman further said that the Cambodian Government has called on all political parties to set aside their own gains, only thinking about the nation's supreme interest. Also, the Cambodian Government agrees that the assistance can be distributed everywhere across Cambodia provided that it reaches the people in the end. The government does not care which party will receive most of the aid.

Commenting on a report that UNTAC had discovered three Vietnamese soldiers within the Cambodian Armed Forces, Khieu Kanharit said that there are no Vietnamese soldiers or officers in the Cambodian Armed Forces. He added that the Cambodian Government continues its investigation into the matter. The spokesman pointed out that among the three men, one called (Kim Sen) is a Khmer Kraom [Vietnamese of Cambodian origin], who has long lived in Cambodia. He was employed by the Vietnamese forces in Cambodia as an interpreter and was dismissed in 1985. In 1990, he volunteered to serve in the Cambodian People's Armed Forces.

Khieu Kanharit further said that the four parties within the Supreme National Council have agreed that every Khmer Kraom living in Cambodia is automatically considered a Cambodian citizen. Therefore, (Kim Sen) cannot be regarded as belonging to foreign forces. He is entitled to live in Cambodia. As for the two Vietnamese, we continue our inquiry about them. Anyway, according to a preliminary report from UNTAC, one is living in Kratie Province and another in Kompong Speu Province. The Vietnamese in Kratie was demobilized in 1985 while the other in 1983. The two Vietnamese have been married to Cambodians and have lived in Cambodia and also applied for Cambodian citizenship. The Vietnamese in Kratie Province has earned a living as a fisherman and farmer and served in militia forces. Khieu Kanharit added that according to Cambodian law, any citizen aged between 18 and 40 should serve in militia forces which are not part of the Armed Forces since militiamen are only village guards recruited by local authorities and not paid by the state. So, it is completely wrong to accuse the two Vietnamese of being within the Armed Forces. Anyway, he added, the government will cooperate with UNTAC to settle the issue.

UNTAC Statement on Vietnamese Troops Rejected

BK0303033393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Mar 93

[Text] UNTAC [UN Transitional Authority in Cambodia] recently announced that it has found three Vietnamese soldiers among the troops of the Yuon [Vietnamese] puppets; two of them are working with the puppet army; the third recently retired.

Concerning this news, the Cambodian nation and people in and outside the country had a big laugh about this because they know that:

1. UNTAC is staging a farce to show that 16 months following the agreement UNTAC has managed to find three Yuon;

2. UNTAC has made a noise about this in order to deceive others; afterwards, UNTAC will be quiet—the way it has been behaving.

During the 16 months since the Paris agreement, UNTAC has not checked the Yuon but instead has colluded with the Yuon aggressors and their puppets to violate and trample on the Paris agreement. They have worked together to implement a strategy and tactic to have only one side together with the Yuon's puppets as masters in Cambodia so that the Yuon annex Cambodia forever.

People are well aware that UNTAC has said that the Yuon and their puppets have carried out this or that murder. However, these were just empty statements; no measures were taken to eliminate these brutal activities. After the statements, UNTAC has remained quiet. People are thus familiar with UNTAC's behavior;

UNTAC, the Yuon aggressors, and their puppets are just one group. The Cambodian people have already referred to UNTAC as "Yuon-teak", "Yuon-teak" [pun meaning: "ensnared by the Yuon"; based on the words Yuon, "Vietnamese", and teak, "to ensnare, to trap"].

UNTAC cannot use tricks to dupe the Cambodian people. UNTAC's name is already very bad as far as the Cambodian nation and people are concerned. UNTAC Chief Akashi, UNTAC Force Commander Sanderson, and other UNTAC leaders have clearly said from the outset that:

1. There are no Yuon in Cambodia; and that

2. The Yuon in Cambodia have the right to vote. Furthermore, UNTAC leaders have defended the Yuon aggressors all the time. When the Cambodian people oppose the Yuon aggressors and cooperate in fighting against the Yuon aggressors to defend the nation and territory, Akashi, Sanderson, and other UNTAC leaders cry out and come forth to the defence of the Yuon and set up courts to try the Cambodian people, who are victims of the Yuon's act of aggression. As for the Cambodian people who died in hundreds of thousands and in millions, due to the Yuon's aggression against Cambodia for 14 years, UNTAC leaders did not give a hoot about it; they defend the Yuon only.

What UNTAC has done is very, very bad for the Cambodian people, the world, and for history. The fact is that the Yuon have committed agression against Cambodia since the end of 1978 and, to this day, UNTAC has not verified the Yuon's presence. The Yuon have unilaterally declared that they have withdrawn all their aggressor forces from Cambodia and the ill-intentioned elements who colluded with the Yuon aggressors and UNTAC have to echo the Yuon's statement.

The truth is that in Cambodia at present, old Yuon forces still remain and new Yuon people have been flowing into the country. Even in Phnom Penh there are plenty of Yuon around, many of whom are right under UNTAC's eyes and nose. These Yuon aggressor forces are members of the Communist Party of Vietnam and of the communist Yuon's trade unions, cooperative communities, women's associations, youth leagues, and so on.

The Yuon living in Cambodia are troops under this or that form and are civil servants; they control the Yuon's puppet state machinery. They are people constantly working throughout the country. Altogether, there are 50,000 of these Yuon. Apart from this, Yuon forces have been introduced into villages, communes, districts, and provinces which are controlled by the puppets. These Yuon forces comprise 2d lieutenants, lieutenants, captains, and majors; they are hidden among the puppets and are in control in villages, communes, districts, and provinces. They are on committees and in party schools; they are in control at all levels of the puppets from top to bottom. These Yuon forces are the core and strategic network of the Hanoi Yuon agggressors, territorial expansionists, and race exterminators. These are old Yuon forces; they are about 10,000-strong.

As for the new Yuon aggressors forces, they are over 2-million strong. These new Yuon forces have been set up into big and small units using the form of companies, enterprises, contractors, and this or that trading professions. Thus, they have committees controlling them from top to bottom.

In sum, there are currently 2.4 millions Yuon in Cambodia as aggressor forces. This is why the Cambodian people in and outside the country are really laughing because after 16 months UNTAC has now faintly said it has found three Yuon aggressor soldiers among the puppet troops. People laugh because UNTAC only announced this and then remained quiet.

This is like the issue of the Yuon and their puppets murdering FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party members with UNTAC taking no measures to stop it.

KR Army Spokesman Denies UNTAC Reports

BK0303012393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Mar 93

["Denial by the Spokesman of the National Army of Democratic Kampuchea on News Insinuating that the National Army of Democratic Kampuchea Killed Four Persons in Siem Reap;" dated 3 March—read by announcer]

[Text] I. UNTAC [UN Transitional Authority in Cambodia] recently disseminated news insinuating that the National Army of Democratic Kampuchea [NADK] killed four persons near the Angkor temple in Siem Reap.

II. The NADK would like to issue a categorical denial concerning this deplorable news that has been disseminated.

III. This information is like previous reports which said that there were brutal and barbarous activities and killings near the Angkor conservancy for which Democratic Kampuchea [DK] was responsible. UNTAC has behaved this way many times in order to slander DK's honor and reputation.

The fact is that the previous killings in Siem Reap were the work of agents of the Yuon [Vietnamese] puppets and those restoring Angkor with the collusion of UNTAC. Tricks were played, loud noises made, and some antiques brought to the conservancy for safekeeping stolen.

IV. Concerning these continuing killings, Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], said clearly in his 13

December 1992 statement that the Yuon, their puppets, and UNTAC are responsible for the nonimplementation of the 23 October 1991 Paris agreement. UNTAC and the Yuon puppets are incompetent and have no desire for Cambodia to have genuine democracy and peace. The truth is that the Yuon and their puppets have set up special armed units to carry out political terrorist activities before, during, and after the elections. These special units of the Yuon and their puppets are of three types:

—The first, called (Ninja), comprises genuine soldiers;

—The second type comprises special military units;

—The third type is the special police.

The tasks of these three different special squads of the Yuon and puppets are:

1. To murder the Cambodian people who oppose the Yuon aggressors and their puppets;
2. To destroy various political parties; and
3. To intimidate, threaten, and create constant insecurity in Cambodian society.

On these issues, Prince Norodom Sihanouk, head of state and SNC chairman, said in his 14 December 1992 statement that the current situation in my motherland is very dark; Cambodia is moving toward disintegration. This is clear confirmation that the Yuon aggressors, their puppets, and the UNTAC leaders are the ones behind the continuing terrorist activities and murders in Cambodia, and nobody else.

[Dated] 3 March 1993
[Signed] NADK Spokesman

NADK Says Kompong Chhnang Offensive 'Smashed'

BK0303034693 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Mar 93

[Text] Sources of the National Army of Democratic Kampuchea [NADK] in Kompong Chhnang Province say that on 15 February, the Yuon [derogatory term for Vietnamese] aggressors and their puppets massed more than a regiment of troops from Kompong Chhnang Province and Longvek to launch an offensive to take liberated zones held by the Party of Democratic Kampuchea. The sources also say that the Yuon aggressors and their puppets launched this offensive on two fronts: the first prong of the attack started from the railway track toward Kbal Toek, and the second moved toward (Choam).

The sources say that on 19 February, the NADK completely smashed this offensive. As a result, the NADK destroyed a number of assorted weapons and a quantity of assorted ammunition and killed six enemy soldiers and wounded another six.

The offensive by the Yuon aggressors and their puppets to violate the zones controlled by Democratic Kampuchea further clearly shows the local and foreign public that the Yuon and their puppets are the ones violating and trampling on the 23 October 1991 Paris agreement. The Yuon and their puppets are the ones committing brutal acts to murder the Cambodian people and harm various political parties.

KR Reiterates Call for Accord Implementation

BK0303085093 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Mar 93

[Text] On 26 February at the meeting at the secretariat of the Mixed Military Working Group in Phnom Penh, General Tep Sukun, representative of the National Army of Democratic Kampuchea, made a speech to the audience concerning the general elections. Following is the basic substance of the address.

There is no neutral political atmosphere in the current situation in Cambodia, a necessary condition for organizing the elections. The reason is that the Yuon [Vietnamese] aggressors, their puppets, and UNTAC [UN Transitional Authority in Cambodia] have not correctly and meticulously implemented every clause of the 23 October 1991 Paris agreement, particularly the ones on granting a role to the Supreme National Council [SNC], verification of the Yuon, control of the five ministries, and the dissolution of 70 percent of the four Cambodian armies. The fact that UNTAC has not implemented the Paris agreement has led the Yuon aggressors and their puppets to carry out political, terrorist, and fascist activities to kill people and various political parties at will.

On this matter, Prince Norodom Sihanouk, head of state and SNC chairman, said in his 14 December 1992 statement that the current situation in my beloved Cambodia is very dark; Cambodia is moving toward complete disintegration. In a situation in which old and new Yuon are everywhere in Cambodia and in which there is no neutral political atmosphere, UNTAC has been grossly insisting on organizing the elections against the agreement and against the views of the Cambodian nation and the Cambodian national resistance forces.

Acting this way, UNTAC has led the prince head of state and SNC chairman to say in his 4 February 1992 interview with the FAR EASTERN ECONOMIC REVIEW magazine that to show the United Nations and the world that they were successful in their mission, UNTAC is pushing for elections although the necessary conditions for holding the elections are not yet present. The prince added that this is a bad and most dangerous stage play.

We ask this question: UNTAC is organizing elections in a situation in which old and new Yuon are everywhere in Cambodia; will this lead to Cambodia having peace and independence? The Cambodian nation and people and the Cambodian national resistance forces believe that UNTAC's holding of elections in such circumstances is tantamount to allowing Cambodia to be legitimately annexed by the Yuon. The Cambodian nation and people and the Cambodian national resistance forces categorically oppose such elections. If UNTAC insists on holding elections in a situation in which there is no neutral political atmosphere, UNTAC should be fully responsible for all the consequences resulting from such elections.

The PDK, like the Cambodian nation and people and the Cambodian national resistance forces, believe that in order for elections to be held a neutral political atmosphere has to be established first; and UNTAC has to correctly and meticulously implement every clause of the 23 October 1991 Paris agreement, particularly the following clauses:

1. Grant a role to the SNC as the legitimate and sole source of power in Cambodia during the transitional period;
2. UNTAC cooperates with the SNC in checking the Yuon;
3. UNTAC cooperates with the SNC to control the five ministries; and
4. UNTAC cooperates with the SNC to control the demobilization of 70 percent of the four Cambodian armies.

Khmer Rouge Attack UNTAC Staff in Kompong Thom

BK0303075593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 3 Mar 93

[Text] On 20 February in Stoung district of Kompong Thom Province, a group of Khmer Rouge soldiers from the 55th regiment of the 616th division infiltrated Voal Tum village on coordinates 29/65 and [words indistinct] on coordinates 28/61, burning two police-administrative stations. And on 27 February, a group of Khmer Rouge elements shot at an UNTAC [UN Transitional Authority in Cambodia] patrol car in Tuol Srayaol village, forcing UNTAC personnel to leave the car behind. They also seized three guns and a walkie-talkie from the UNTAC staff. Meanwhile, our State of Cambodia's police forces intervened, taking the vehicle back and returning it to the UNTAC personnel.

The Khmer Rouge's actions are clear evidence that they remain intransigent and continue to defy the Paris peace accord.

Khmer Rouge's 18-23 Feb Activities Reported

BK0303072193 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 2 Mar 93

[Text] According to reports from the National Security Ministry, seven Khmer Rouge [KR] rebels on 18 February infiltrated a number of areas controlled by the State of Cambodia side and ordered 90 villagers at Trapeang Roem and Kroch villages, Russei commune, Chikreng district, Siem Reap-Oddar Province, to gather in an area 1 km north of the villages. At the meeting, they urged the people not to listen to the UNTAC's [UN Transitional Authority in Cambodia] pronouncements and Mr. Akashi and they seized 70 voter-registration cards from the people. They threatened that those not handing out the cards would be executed. Then on 19 February, the Khmer Rouge elements declared a dismantling of our local authorities and the setting up of their new authorities there. Our staff members were warned not to continue their work on pain of death.

Between 21 and 23 February, the Khmer Rouge further shipped ammunition, plundered the people, and shelled several villages. On 19 February, Khmer Rouge soldiers from Division 916 fired several rounds from DK-85 guns on Snak Kranh and Kamproch villages in Stoung district, Kompong Thom Province, killing two people. In the same district on 20 February, the Khmer Rouge attacked Veal village in Trea Commune, and on 21 February, they raided Krasai Thang village in Sanko commune of Kompong Svay district, killing a villager and wounding another, burning a house, and killing a cow.

On 23 February in Batheay district of Kompong Cham province, 20 Khmer Rouge soldiers from the 550th regiment of the 785th division attacked our military position in Tang Krasang village, killing one of our combatants and wounding another.

Hor Namhong Rejects Inclusion of KR in Coalition

BK0303074593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 2 Mar 93

[Text] His Excellency [H.E.] Hor Namhong, foreign minister of the State of Cambodia [SOC] and member of the Cambodian Supreme National Council [SNC], recently received a delegation of the British Parliament led by H.E. (Buchest Liotti), and a delegation of the French Senate led by H.E. (Andre de Claude). After welcoming the delegations, which were conducting fact-finding missions in Cambodia before holding general elections, H.E. Hor Namhong briefed the guests about the situation concerning implementation of the peace accord, saying the Khmer Rouge have not only refused to take part in the forthcomimg elections but have also carried out activities aimed at sabotaging the polls. They have launched a campaign to seize the people's voter-registration cards and ordered their agents to infiltrate and carry out acts of political terrorism and violence for the purpose of putting the blame on the SOC and claiming that holding elections will be impossible because a neutral political environment does not exist.

The foreign minister emphasized that we should neither fall into the Khmer Rouge's trap, nor allow ourselves to be turned into their hostages. He also refuted opinions which claim that without the Khmer Rouge peace cannot be restored and which demand the inclusion of the Khmer Rouge in a coalition government, saying this will be a great danger and will return a new genocide to Cambodia.

Answering a question raised by his guests, the foreign minister said if the SOC won the elections, the Khmer Rouge would again wage guerrilla warfare in Cambodia. As such, a new government formed after the elections should definitely settle the Khmer Rouge issue, meaning it should do its utmost to prevent the faction from creating a danger to the country and nation, and avoid the division of Cambodia. It should also ensure that the Khmer Rouge leaders are brought to trial in an international court of justice for their genocidal crimes. After the elections, the Khmer Rouge will become a group of rebels. So if suppported by the West and if the Cambodian People's Party wins the elections, a new government would make the Khmer Rouge become like the Communist Party of Malaya in Thailand. The foreign minister stressed that Thailand constitutes a key to solving the Khmer Rouge problem in the future, saying Thailand, a signatory to the Paris peace accord and a UN member that should recognize a new Cambodian Government, will close its border to prevent the Khmer Rouge from using its territory to wage war and carry out rebellious activities against the Cambodian people.

The meeting ended in a cordial atmosphere with mutual understanding.

UN Criticizes Government's TV Monopoly

BK0303103293 Hong Kong AFP in English 0949 GMT 3 Mar 93

[Text] Phnom Penh, March 3 (AFP)—The U.N. Transitional Authority in Cambodia (UNTAC) said Wednesday that the Phnom Penh government is unfairly monopolizing its television station and denying free media access to other political parties.

Both the Khmer Rouge and Phnom Penh government are defying UNTAC's control over information as mandated by the 1991 Paris accords ending the country's civil war, U.N. spokesman Eric Falt said.

UNTAC is supposed to have full control over the media to ensure a free press ahead of U.N. elections in May. However, both the Phnom Penh government and the Khmer Rouge are freely broadcasting their own propaganda without UNTAC interference on a daily basis.

The government repeatedly uses its television station to criticize opposition parties while at the same time promote its Cambodian People's Party (CPP) logo that will appear on the ballot.

It also shows government politicians doing good deeds, such as giving money to build schools, in provinces where they are running for election.

"The regular and repeated explanation of the CPP ballot symbol represents an unacceptable monopoly on political information," UNTAC spokesman Eric Falt said.

In addition, the government's television station was refusing to show U.N.-produced instruction videos about political intimidation "on the spurious grounds that it unfairly criticizes their administration," Falt said.

He also said the Khmer Rouge, whose radio transmitter is hidden in their zone of control in southwestern Koh Kong province, were disseminating broadcasts of "racial hatred" against the Vietnamese.

The Khmer Rouge also broadcast "deliberate distortions of UNTAC activities and motivations," Falt said, calling on them to respect the peace accords' tenent of UNTAC control over the media.

Falt said that from Wednesday, political parties will be allowed to air programs explaining their platforms on the UNTAC AM radio station.

Each of 20 parties participating in the election will get two five-minute slots per week. The parties will not be allowed to disseminate untrue statements or messages of racial hatred, Falt said.

"The use of the media is a litmus test of free and fair elections," Falt quoted the head of the UNTAC information component, Tim Carney, as saying.

"Voters must have as much information about all the parties and the issues as they can possibly absorb," Carney said.

Indonesia

Suharto Presents Report to Assembly

BK0203105393 Jakarta TVRI Television Network in Indonesian 0218 GMT 1 Mar 93

[Speech by President Suharto to the People's Consultative Assembly at the House of Representatives Building in Jakarta—live]

[Text] Peace be upon you! Honorable chairman, vice chairmen, and members of the People's Consultative Assembly [MPR]! Delegates and invitees! Peace be upon you!

With all sincerity, I am standing up before the noble assembly to carry out my constitutional duty as president of the Republic of Indonesia. In this case, I would like to account for my presidential duties as mandated by the assembly. This state practice has taken place five times consecutively in our history. Five years ago, the MPR convened an assembly to adopt the 1988 broad outline of state policies. Five years ago, the MPR elected a president mandated to carry out the broad outline of state policies. For the past five years, the president has carried out the broad outline of state policies and other resolutions of the MPR.

Today I, as president, would like to account for all policies, measures, and actions I had adopted to carry out the broad outline of state policies and to lead the nation. Subsequently, the assembly will judge my accountability as the holder of its mandate in the next few days. Thus, the mechanism of the national leadership revolves around a five-year cycle as required by the Constitution.

I am very happy because I have a historic opportunity to contribute to this important state leadership. The Indonesian people have given me a great honor for which I look upwards and express my boundless gratitude to God Almighty. The MPR General Assembly will adopt the broad outline of state policies for the next five years. Every MPR General Assembly is certainly a very politically important event because the MPR is a manifestation of the Indonesian people's sovereignty. The current assembly, however, is of special significance for the further development of our nation. The broad outline of state policies to be adopted by the assembly will become a historic landmark for our nation, mark a take-off period for our nation, and become a gateway to the next stages of our nation's great struggle. Our nation is determined to enter a take-off period after we complete five five-year development plans and the first 25-year long-term development program. We are determined to achieve a just and prosperous society based on Pancasila during the take-off period. We are determined to undertake development with our own hands during this period. We must catch up with other nations which are more advanced than ours. We will be on par with more advanced nations. These great tasks lie ahead. We are all confident that all people's representatives attending the assembly fully understand this great aspiration.

Honorable chairman! I have always been realistic and hopeful in carrying out the national leadership over the past five years. Facts are facts. What is already good should contribute to the next development. We should rectify what is bad. Thus, we as a nation have made what is already good become better and have made what is bad become good. The accountability report I am delivering today is based on this spirit. Constitutionally, I, as the holder of the MPR mandate, deeply realize that this is my single accountability. This accountability report contains our common experience as a nation for the past five years. Over the past five years, we have undertaken the fifth five-year development plan. This period is simultaneously marking the end of the first 25-year long-term development program. The 1988 broad outline of state policies states that the main target of the first 25-year long-term development program is to lay a strong foundation for our nation to enable us to enter the take-off period under the second 25-year long-term development program.

Honorable Chairman! That is why I recap our common experience over the past 25 years in my accountability report. I simply hope that this common experience will serve as input for the assembly in charting the future of our nation in the next 25 years. I also fully realize that development is a masterpiece of our nation. Accordingly, let me use this opportunity to speak directly to all Indonesians to whom I, as president of the republic, am solely dedicated.

Honorable Assembly! Under the 1988 broad outline of state policies, our main tasks over the past five years have been to attain twin objectives of our development strategy in general and the fifth five-year development plan in particular. The first one has been to promote the living standards, intelligence, and welfare of all the people. The second one has been to lay a strong foundation for the next stages of development. My leadership is committed to the twin objectives. In addition, I strongly abide by the trilogy of development in leading the nation. I understand the trilogy of development embodied in the 1988 broad outline of state policies in a dynamic way. I always remember what the Constitution says. We must always monitor the people's dynamism. I also understand that our people's dynamism is part of dynamism which is fast developing in the world.

I have carried out the 1988 broad outline of state policies on the basis of this spirit. I have done my best to seek the best ways to achieve an equitable distribution of development, spur economic growth, and maintain a dynamic national stability. My duties and responsibility as president have always been monitored by the House of Representatives. I have done my best to carry out the message of the Constitution. This is to make sure that I will always listen to the House of Representatives in carrying out my duties as president. With a clear mind, I have tried to understand the voices of the House Representatives, both loud and clear or subdued. I have always been attentive to reports by ministers about working meetings and hearings with House commissions, heads of nondepartmental agencies, and various circles in society.

In accordance with the constitution, the Supreme Advisory Council has offered a lot of advice to me in carrying out my presidential duties.

The State Auditing Board has regularly and periodically examined state financial reports as a realization of the provisions of the Constitution and relevant laws. The government has used findings made by the State Auditing Board as a basis to take necessary steps and to improve the management of state funds.

As required by the Constitution and relevant laws, the judicial branch has been able to execute its power freely. The Supreme Court has consolidated its functions in enforcing the rule of law and ensuring justice in the country. Despite existing weaknesses, the authority of the judicial branch as the last bastion of justice has been enhanced. The State Administrative Court is an important landmark in our country that upholds law and justice. It is not uncommon to see government officials stand trial before the State Administrative Court on charges brought by those who claim that their interests have been undermined.

In short, we have tried to strengthen the position, duties, and functions of the highest state body and high state bodies as well as relations among them in accordance with the provisions of the Constitution. This has represented a valuable contribution to political development and the dynamic maintenance of national stability. From the very beginning, we have realized the importance of political development to ensure the success of the nation's overall development. We have also realized that political development is not an easy part of the nation's overall development. Because of this, we reached a national consensus in 1966 to reform and to simplify the political life to ensure dynamic national stability and the smooth implementation of development. We have succeeded in realigning our political institutions. Our next common duty will be to consolidate the political institutions to ensure that they will continue to refresh and dynamize our political life. Obviously, we will not move back to the past in developing political life. Our experience has showed the failure of liberal democracy as well as that of guided democracy to support the development of our nation. On the contrary, we must look forward by enhancing Pancasila Democracy in line with the progress of our development in general.

In addition to economic progress, the higher level of political development also serves as the barometer of the success of our national development. The reaffirmation of Pancasila as the sole ideology in social, national, and state life as well as an open ideology represented our basic consensus to maintain political stability. The reaffirmation of development as a means of practicing Pancasila has refreshed our political life and directly linked it with development. Looking around us, we are greatly relieved that our political reforms have proceeded safely. We see with concern how other nations are struggling to realign their political systems. Not a few of them have been mired in endless crises because of the emergence of ethnocentrism, religious conflicts, and parochialism. Some of them have even been beset with upheavals and internal divisions. That is why we must develop the democratic life in a very cautious manner by maintaining its correct rhythm, enhancing development, and practicing Pancasila. We continue to refresh political life. The holding of general elections is the most tangible result of this refreshed political life. We have held five general elections under the 1945 Constitution. Their implementation has been improved and they have become more dynamic from time to time. Nine of every 10 eligible voters have cast their ballots in every general election. This voting rate is very high. It is higher than that of other countries, which have a very long tradition of democratic life. All this has shown that the Indonesian people's political awareness is very high as well. All this has also shown that our democratic and political life has been further refreshed. The campaign themes of the last general election presented programs of various sociopolitical forces to the nation. The last general election has made us realize that the campaigns presenting future programs were no less interesting that those portraying the ideology or identity of a group, which only led to tension, division, and wounds in the nation.

We have proved that Pancasila as the sole ideology continues to give room to the development of our political life, enrich our ideas, rejuvenate our religious life, guarantee the freedom of speech, and improve the implementation of human rights.

The Armed Forces of the Republic of Indonesia [ABRI] have become an inseparable part of our democratic life based on Pancasila. Historically, the ABRI was born as a people's force that played a role in establishing, defending, and upholding national independence. Accordingly, the ABRI is responsible for the safety of our national journey toward achieving the objectives of national independence. This is the essence of the ABRI's role as a sociopolitical force.

Being a defense and security force, the ABRI has succeeded in defending our national sovereignty and territory integrity and ensuring our security and order. The ABRI is continuing to carry out the people's defense and security doctrine, to be united with the people whom they are serving, and develop a small but effective force. Its dual functions have contributed greatly to dynamic national stability.

Dynamism is also visible in our press life. The number and types of publications have increased. Their quality has also improved. Their contents present facts about the development of our society, views and aspirations of various circles in our society, and issues of paramount importance for the life of the general public. Our press has become freer and more responsible despite existing weaknesses. The press has contributed to enhancing our people's intelligence, widening their vision, and enriching information needed by an increasingly open society.

On legal development, the government and the House of Representatives have promulgated 295 laws since 1966. Fifty-four laws were made from the day we entered the fifth five-year development plan and until the present date. Our society's openness and dynamism should be maintained in such a way that the process is orderly. That is why we are continuing legal development. One of our most important legal products was Criminal Law No. 8/1981. The law clearly guarantees the protection of human rights. Many other laws in our country contain human rights provisions. Articles in the various laws in our country even provide for better protection of human rights than in developed nations.

The Indonesian nation was born out of a struggle to uphold the most basic right—right to independence. The Indonesian people were deprived of their basic right by foreign colonialists for over 350 years. Accordingly, we are a nation that deeply understands the significance and essence of human rights. The first sentence of the Preamble of our Constitution reads: Whereas independence is the natural right of every nation, colonialism must be abolished in this world because it is not in conformity with humanity and justice.

Pancasila as our country's ideology and our way of life upholds civilized and just humanity. Articles in our Constitution guarantee various basic human rights. Their manifestation and implementation have been embodied in various laws. Our Constitution, which guarantees basic human rights, was born three years before the 1948 Universal Declaration of Human Rights. All nations in the world are holding high its noble objectives. There are, however, clearly regional and national differences about the comprehension, institutionalization, and implementation of these rights. These differences are normal and should not be avoided. Not only do countries in the world have differences in their historical background and cultures, but they also have different levels of progress. A tiny minority already has a very high living standard, while some others are catching up to achieve a high living standard. The great majority of nations, however, are still struggling hard against backwardness, hunger, disease, and ignorance. The different living standards have greatly influenced the implementation of basic human rights. The biggest problem we are facing is not merely to guarantee the protection of basic human rights, but to develop a socioeconomic life aimed at ensuring the growth and evolution of humanity itself. From the very beginning, we have reiterated that the essence of our development is to develop the nation comprehensively.

Honorable Chairman! Dynamic political development in our country has enabled the nation to achieve the current level of progress. Thanks to strong national stability and resilience, I have never used the power entrusted to the president under MPR Resolution No. 6/MPR/1988.

My fellow countrymen! We have enjoyed dynamic national stability for over 25 years. It would have been impossible to maintain such stability with an iron hand no matter how strong this hand could have been. Similarly, it would have been impossible for a single power to maintain such stability no matter how tremendous this power could have been. Such long-standing dynamic stability has been made possible only by a democratic political system receptive to changes and continued refreshment. The experience of development in all nations has proved the indispensability of dynamic national stability and the importance of regional stability.

We have enjoyed regional stability by developing the ASEAN spirit and mutual trust with southwest Pacific nations. Such regional atmosphere has been of great significance for the smooth implementation of national development. The broad outline of state policies clearly says that our free and active foreign policy must serve national interests, particularly those of development in all sectors. I have consistently adhered to the Preamble of the Constitution in carrying out this policy. The Constitution requires us to contribute to the maintenance of world order based on independence, eternal peace, and social justive.

There have been rapid and basic global changes over the past five years. The end of the cold war has eased ideological and military tension between big countries. The world now has an opportunity to achieve a more peaceful life for all. However, mankind is simultaneously facing various new challenges and problems. Strife and armed conflicts have emerged in many regions. There has been foreign aggression and intervention, ethnic disputes, religious intolerance, new forms of racism, and chauvinism.

The world community is paying greater attention to environmental protection. This was evident, among others, in the convening of the earth summit in Rio de Janeiro last year. I myself led the Indonesian delegation to the summit. Our awareness of the importance of protecting the environment is beyond any doubt.

Generally speaking, all nations now have greater confidence in settling conflicts through dialogue and peace talks. All nations have increasingly realized that they are living in one interdependent world.

However, there have been no signs that positive developments in international politics will be followed by similar developments in the economic field. On the one hand, industrialized nations are enjoying high living standards. On the other, the vast majority of the human mankind are still struggling against backwardness, hunger, disease, poverty, and ignorance. Gaps, disparities, and injustice are still far from being overcome. The situation is worsening due to uncertainties and instability in the world economy. Indonesia has consistently encouraged positive elements conducive to peace, cooperation, progress, welfare, and justice in the world, while trying to reduce negative elements. This has been the main goal of my visits to many countries and Indonesia's participation in many world forums. In line with national progress, I deemed it necessary last year to attend international conferences such as the ninth Nonaligned Summit in Belgrade, the G-15 [Group of 15] summit, the ICO [Islamic Conference Organization] summit, the Earth Summit that I mentioned earlier, and the UN General Assembly.

Out of the several measures we adopted to implement a free and active foreign policy, I have to recall the subject of the normalization of relations between Indonesia and PRC in 1990 after a 23-year hiatus. This is a clear manifestation of our free and active foreign policy. The normalization of relations between the two countries proved that no matter how great the differences between two countries, friendship could be established on the basis of mutual respect for sovereignty, mutual abstention from interference in the internal affairs of another country, and the promotion of mutual cooperation. The normalization of relations has also contributed significantly to stability in the East and Southeast Asian regions. It will also eventually pave the way for other regional rapprochments.

Indonesia again played host to the 10th summit meeting of the Nonaligned Movement [NAM], 37 years after the Afro-Asian conference was held in Bandung. The NAM represents more than half of the total world population and the summit was also one of the biggest events ever to be held in Jakarta. The Jakarta Message issued at the end of the 10th NAM summit clearly reflected a new direction and strategy. It also showed the vitality of NAM in a situation where rivalries between world superpowers have ended. The 10th NAM summit erased doubts on the relevancy of NAM during the post-cold war era. In fact, the summit was successful in giving guidance to NAM to concentrate its efforts in the economic field and on development to fufill the independence aspirations of its individual member countries. The NAM considers it very important to revive the North-South dialogue and to promote South-South cooperation in order to support economic growth in developing countries.

The world's confidence entrusted to Indonesia has allowed more opportunities for the implementation of its obligation to the nation. The main obligation is to implement national development.

Fellow countrymen! We are thankful that, as a nation, we have been successful in ensuring that there is continuity, expansion, and equitability in our development programs. Our sustainable development continuity goes on for 25 years under the five terms of the five-year development plan [Repelita]. In view of that we have to maintain existing economic stability and sustain development continuity. We are able to maintain and promote our economic stability because the goverenment has carried out an extensive reordering of economic institutions that could lend support to development programs. In nation building, we have to take lessons from our own past experience and the experiences of other nations.

We have been aware that economic reforms are a prerequisite to facilitate development since the beginning of the first phase of the new order government. The serious economic inflation, which was uncontrollable at that time, could not be allowed to reoccur. We had to repair nonfunctioning economic institutions so our economic machinery could continue to operate. Such was the situation. Therefore, we launched the economic and monetary stabilization program in 1966.

In the fiscal sector, we tightened discipline due to the need to balance budget expenditures. In the monetary sector, we started to carefully supervise the current account transition. We readjusted the interest rates for savings so they were attractive enough to encourage the people to save their money with banks. A moderate system for foreign exchange rates was adopted. This was aimed at showing a realistic system of exchange rate to encourage exports and a smooth flow of imports. In the industrial sector, we also took effective steps to give priority to imports of basic materials and spare parts so that plants and factories could immediately increase their productivity by taking advantage of available facilities. The system of distribution was replaced, phase by phase, by a more liberal and effective system. People's plantations and crop land for cultivation were rehabilitated, particularly for paddy cultivation, which was given a high priority.

Inflation was finally brought under control due to these various steps. The economic machinery began to operate once again. Whatever measures we took at that time were not only to revolve around the monetary stabilization policy, but instead covered a wider range of areas—that is the reordering of economic institutions in a broader sense. We embarked on a transitional period and abandoned an over-regulated economic policy, which was slow in growth. We built up an economic system, which is more active, more capable of supporting the people's well-being and priorities, more ready to take advantage of available opportunities brought about by economic development in the world, and more capable of fulfilling the people's needs.

Our experience in the transition and the process of bringing about a period of economic stability made us realize that it was not an easy task. It was, however, the result of our perseverance, strong determination, and sacrifices by all. We cannot help but feel grateful for getting over these challenges safely when we look at the other countries in some parts of the world, which are currently facing challenges in their efforts to achieve economic stability. Based on our experience, it proves that our nation is able to solve serious problems and manage to overcome big problems. The bitter experience during the sixties, namely economic instability and stagnation, became part of our people's history in the country. The experience has provided a valuable lesson to all of us, including the new generation which did not experience bitterness at that time. The valuable lesson is that uncontrolled economic instability, which paralyzed Indonesian productive capacity and created misery for the people during those years, should not be allowed to reoccur during the present and in the future.

We should maintain the existing economic stability for the sake of sustainable development and the people's well being. Apart from that we should realize that economic stability could not come about by itself but was the result of economic management. Economic stability is the consequence of our discipline in managing the state budget and in our prudence in carrying out monetary policies.

The experience that we went through in trying to achieve economic stability is not peculiar to Indonesia only, it is also something that is experienced by other nations in their history of national development. The history of economic development in nations shows how prolonged economic instability hampers national development efforts and brings destruction to existing deveolopment achievements.

Let us look at the history of other nations whose economic situation deteriorated and, in fact, collapsed because they allowed economic instability to get out of control. On the other hand, we also have witnessed how some nations enjoy a stable economy and strong currency due to the implementation of well-planned fiscal and monetary policies in a disciplined manner. They continue to develop their economy rapidly and acquire technological progress. We should learn wise lessons from all experiences.

Fellow countrymen! Earlier, I mentioned that the government carried out an extensive reordering of economic institutions parallel with economic and monetary stabilization policies. This includes the issuance of deregulation and debureaucratization packages that are currently being implemented. As a matter of fact, I can say that the the measures taken to reorder and renew the operations of economic institutions, which were taken during the same period we were trying to stabilize the economy, can be considered the first wave of economic deregulation and debureaucratization measures in the New Order era.

After going through the period of making an economic recovery in the 1970's, the measures were then followed by a second wave of deregulation and debureaucratization packages. This wave began at the beginning of the 1980's. The deregulation and debureaucratization measures, currently being implemented, are not new policies. Instead, they are the follow up to the policies of economic institutions pioneered long ago. Economic deregulation and debureaucratization policies are parts of the government's efforts to reform and refresh the long-term economic development plan, which is also a part of the national development policy. The development of economic institutions is aimed at continuously expanding and improving socioeconomic institutions so that they are always capable of supporting national development, instead of obstructing development programs.

In line with the basics of economic democracy, which is the precept of the Preamble to the 1945 Constitution and the guidelines of state policy, economic institutions should be able to support the people's creativities and initiatives. Institutions should attract the people to widely participate in national development. At the same time, they should also be an influential circle for the country to give effective guidance, direction, and ecouragement on how to handle all available resources to provide prosperity to the people.

This is the feedback we experienced at the time we were preparing for development.

With the improving economic situation, we embarked on the first five-year development program [Repelita] in 1969. We made provisions for infrastructure and we also widened our investments taking advantage of the encouraging and supportive political climate. We made food production a top priority because it was the key factor in ensuring people's continued subsistence. We were able to accomplish satisfactorily the first Repelita. Simultaneously, we succeeded in hastening and accomplishing other development activities. Other five-year national development programs ensued after the first Repelita concluded.

We gave priority to the biggest sector—the agriculture sector—as the beginning of our development process. We needed to develop the agricultural sector during the initial stages of development. We needed to increase the sector's productivity. We can only embark on the other sectors when the agricultural sector is established. We made agricultural development a top priority during the early stages of development and after realizing its importance. In the implementation of the development strategy, we took measures to developed numerous infrastructure for agriculture such as irrigation and dams. We imparted new agricultural technical know-how to farmers and we further endeavored to widen such knowledge and related activities. We also established numerous fertilizer factories—funded by the banking sector—for the agricultural sector's need. We ensured fair basic prices for farmers for their agricultural products and we also set up a rice stock.

Our primary strategy in developing the agriculture sector resulted in our self-sufficiency in rice. We were able to provide amenities to people and the poverty level within our society was reduced. Blessed by our hard work, particularly by our farmers, our agricultural sector became progressive. By the end of 1984, we were successful in being self-sufficient in rice and this was a significant beginning for us because Indonesia was one of the major rice importing countries in the 1970s. Our self-sufficiency in rice resulted in the creation of job opportunities for millions of farmers. Along with this, our economic situation was more tolerant.

We provided basic amenities for our people before embarking on our the initial strategy in developing the agriculture sector. This included the equal distribution of people's basic needs, food supply, better health services, improvement of nutrition, family planning, basic education, clean water supply, low-cost housing and so on. We were able to implement this strategy effectively in each of the five-year development programs. We were successful in reducing our country's poverty level through this strategy. Thus, the number of poverty-stricken people was considerably reduced.

About 60 out of 100 Indonesians were living in poverty in 1970. The number of poverty-stricken people was high then—around 70 million. The number of those living under the poverty level is currently dipping annually. In 1990, only 15 out of 100 Indonesians were found to be living under the poverty level. It is possible that due to our dense population the number of people living below the poverty line is also vast—around 20 million. Few nations, unlike Indonesia, were capable of rapidly suppressing or reducing their poverty level. As a result, it is obvious that we have become more confident due to such an accomplishment and performance. We are aware that we still have a long way to go in our attempt to lift our brothers and sisters out of poverty. In future, more concerted efforts will be needed to reduce the poverty level in desolate regions nationwide. We embarked on special poverty eradication programs over the past few years. We need to continue and widen such programs in the future. In this connection, district authorities should play a bigger role because they are in a better position to assess the conditions and needs of the poverty-stricken community in their respective regions. Priority should be given toward eradicating poverty in the interior districts of their respective regions.

Honorable and respected members! We simultaneously embarked on the development of other sectors as we were making strides in the development of the agricultural sector. The outcome was most heartening. Our national production and income have rapidly increased. When we were on the threshold of development, our per capita income was only around U.S.$70 annually. Currently, our per capita income has risen above the U.S.$500 mark annually. Our economy has grown at an average rate of 6 percent annually and this is tremendous compared to that of 25 years ago. Only few countries were able to accomplish such a level of annual economic growth rate. Only 10 countries in the world were able to achieve such a rapid and sustainable economic growth over the last decade. We should continue to sustain such an economic performance in the future. Only through a high economic growth rate can we overcome burdensome socioeconomic problems such as reducing the poverty level, providing more employment opportunities, equal distribution, and improving people's living standards. There would definitely be no new economic activities, no new employment opportunities, and no new economic sources for our citizens without economic growth.

We should continue to implement supportive activities, such as deregulation and debureaucratization, in order to maintain a high economic growth rate. In the future, our economic growth will be more dependent on our success in upgrading our efficiency and productivity. Future economic growth will be less dependent on the availability of our abundant natural resources or cheap labor. Future economic growth will be determined by people's creativity, skill, management capability, and technological expertise. This means that the key to our future success in development will depend solely on qualitative human resources—and we have already taken our first step forward to improve our endeavors in these areas. Lest we forget, economic growth needs the assistance of adequate funds for much desired investments. Adequate allocations are needed for investments. This does not mean obtaining funds through withholding credit obligations or by easing the tight money policy. Investments should be funded through real economic sources, that is, from allocations which have been specially set aside for investments. Such allocations will be derived from national reserve funds. The withholding of credit obligations, the easing of the tight money policy, and no strong support from national reserve funds will definitely bring about inflation—not investment. Such an undesirable situation will worsen because of a greater deficit in the balance of payments. An unstable economic situation, inflation, and greater deficits in the balance of payments should be avoided at all costs.

We should make every effort to increase the existing national reserve funds in accordance with our determination to make our nation more self-reliant. For the administrative sector, this would mean that more revenue should be sought from various sources while keeping expenditures at a minimal level. The administrative sector should be more efficient and effective in carrying out responsibilities. This includes the abolition of subsidies which are considered unnecessary or superfluous. In the business sector, the effort to increase the national reserve funds would mean that our business sphere should be more efficient, willing to discontinue accepting extraneous subsidies, and should also increase its productivity. Only through such measures can our surplus efforts be stretched to the fullest to provide support for investments in the country. All these are difficult to accomplish in our effort to further increase our national reserve funds and we should conscientiously embark on steps toward making our country self-reliant by increasing reserve funds.

Honorable and respected members! We are aware that economic growth reflects only one facet of progress. Our life will be more meaningful through the economic growth we achieve. Therefore, let us observe our development in manpower, reduction in the poverty level, and the overall improvement of people's living standards. The population census shows that during almost two decades—between 1971 and 1990—the government succeeded in creating 34 million new jobs. This means that the number of jobs during that period was larger than the increase of 32 million job seekers. It should be noted that the newly created jobs were full-time jobs. The development in the manpower sector indicates that there is equal distribution as a result of our economic growth. But we will definitely face greater future challenges. In future years, we should create new job opportunities for our work force. Annually, more than 2.3 million people seek employment. We should make every effort to subdue the unemployment problem.

As I stated earlier, we were able to reduce the poverty level with economic growth. Apart from this, we were able to improve people's overall living standards. In the early 1970s, the average lifespan of an Indonesian was gauged at only 50 years. In 1990, the average lifespan increased to more than 61 years. During the corresponding period, the infant mortality rate was 142 per 1,000 births, but this has decreased to 63 per 1,000 births. Meanwhile, we were also able to contain the population growth rate. The annual population growth rate stood at 2.3 percent in the 1970s. In the early 1990s, we were successful in reducing the rate to 1.6 percent annually.

There has been progress in food production and clothing. From 1968 to 1991, our rice production increased from 105.8 kg per head to 159.9 kg per head. Fish production increased from 10.3 kg per head to 18.6 kg per head. Meat production more than doubled from 2.47 kg per head to 6.4 kg per head. Egg production increased almost sixfold from 0.5 kg per head to 2.9 kg per head. Textile production increased 10-fold from 2.8 meters per head to 28.5 meter per head. The percentage of households enjoying electricity increased from 6.1 percent in 1971 to 46.8 percent in 1990.

In the field of education, primary educational facilities have been evenly distributed. In 1968, primary schools were able to accommodate only about 41 percent of primary school-age children. Primary schools built nationwide have practically been able to accommodate all primary school-age Indonesian children. This condition is a strong foundation for the implementation of a nine- year compulsory education in the years to come.

Meanwhile, the number of illiterate people decreased from 39 percent in 1971 to about 16 percent in 1990. Equal educational opportunities have also been evident in the educational level of our manpower. In 1971, almost 43 percent of our manpower had never attended schools. Their percentage decreased to about 17 percent in 1990. During the same period, the percentage of workers with secondary education upwards increased from 2.8 percent to almost 15 percent of the total manpower. The improvement of the quality of our manpower will have far-reaching effects on the pace of our development in the future. Measures to reduce poverty, create jobs, and meet the basic needs of human beings are part of our great efforts to evenly distribute the fruits of development. What we want is a sustainable distribution of these fruits. This means that we want equal opportunities for all. We must continue efforts to attain this long-term target.

While continuing efforts to attain this long-term target, we have undertaken various important steps. An annual state budget is consistently used to support an equal distribution of the fruits of development. On state revenue, we have consistently implemented an efficient and fair taxation system. We have accorded high priority to programs designed to meet the basic needs of the population. We have encouraged mutual assistance and mutual beneficial relations between large and small business groups or the strong and the weak through such programs as the people's plantation program and the foster parent program. In the meantime, the government is drafting a law to protect small businesses. The government will continue to enhance rural assistance programs. Special attention has been given to backward regions in terms of infrastructure development. All this is part of efforts to ensure an equal distribution of the fruits of development. Thus, we have been able to promote the people's living standards and ensure an equal distribution of the fruits of development.

Honorable Assembly! Our development programs have managed to strengthen our economic structure. As I said earlier, the successful development of agriculture has enabled the industrial sector and others to grow rapidly. Over the past two decades, the industrial sector has grown more rapidly than other sectors—averaging more than 12 percent annually. Thanks to this rapid growth, the industrial sector's role in the gross national product increased from 9.2 percent in 1969 to 21.3 percent in 1991. The industrial sector has now contributed more to the gross national product than the agricultural sector. This means that we have managed to achieve a balanced development of the agricultural and industrial sectors. Changes in the industrial sector are important. The types of goods produced by domestic industries have increased and become more varied. Slowly but surely, the added value of these industrial products is further increasing. Thanks to technological progress at home, our industries have now been able to produce goods using sophisticated technology like engineering products, electronics, chemicals, aircraft, vessels, and machinery. What is greatly encouraging is that more industrial products have become competitive and penetrated the world markets. Our non-oil and non-gas exports have now relied primarily on industrial products. Agro-industrial activities are growing rapidly. The agro-industrial activities have not only increased the added value of agricultural products but have also strengthened relations between the agricultural and industrial sectors. As a whole, our industries have become more developed, varied, and competitive over the past 25 years. All this is evidence of the industrialization process which is taking place in our country. Indonesia is ready for the next stages of industrialization. The industrialization process will be a long one and full of challenges. However, this is the only way for our nation to achieve progress. We must exercise caution and correctly plan our steps in the industriaization process. Experience has shown that some nations have succeeded in their industrialization drive while others have failed. Some have even regressed and suffered setbacks. We do not want to be part of this unsuccessful group. Thus, we must take a serious lesson from this experience and make the best preparations. Industrialization is not simply the establishment of as many factories as possible or the development of the most sophisticated industry. Industrialization means the establishment of a viable and independent system rooted in the socioeconomic structure of a nation. We can build factories and sophisticated industries as long as they are based on this system. An industry consists of technological and economic elements. An industry will be strong if it is based on strong technological and economic foundations. An industry will immediately become outdated if it is supported by inadequate technological expertise. An industry will become fragile and need continued protection and subsidies if it has no strong economic foundation. For developing nations like ours, industrial development must take into account socioeconomic factors like job opportunities, poverty, and the basic needs of the population. Industrialization must help resolve these immediate problems.

In addition, macroeconomic and monetary constraints must be seriously monitored in the industrialization drive. Thus, economic stability will not be disrupted. Any disruption will eventually ruin the industrialization process itself and bring national development to a rapid decline.

For the sake of sustainable development, our industries must not waste natural resources and energy and must use technology that will not endanger the environment. We must remember this vision in our industrialization drive in the future. What we have achieved in our industrial development has become a strong foundation for us to move ahead vigilantly.

We have lessened our dependency on petroleum as an effort to further enhance our economic balance. Over the last decade, the declining role of petroleum could be observed through our exports of national production and its contributions to the national income for the state budget. Petroleum exports as a percentage of GNP declined from 24 percent in 1981 to 15.6 percent in 1991. As a percentage of national exports, they declined more drastically—from 82 percent in 1981-82 to only 32 percent in 1992-93 period. On the other hand, Indonesia's overall nonoil exports rose from 18 percent during the 1981-82 period to 68 percent in the 1992-93 period. Our nonoil exports rose sharply after we implemented the deregulation and debureaucratization processes in the early 1980s. The rise in nonoil exports has indeed been rapid. In 1968, the total earnings from nonoil exports was only U.S.$540 million for the whole year. Nonoil exports are currently reaping in more than U.S.$200 million monthly. Meanwhile, the national income derived from the nonoil sector also rose rapidly, particularly after the implementation of the tariff system in 1984. During the 1981-82 period, the nonoil sector only contributed 29 percent to the total national income. The national income from the nonoil sources rose sharply to more than 70 percent during the 1992-93 period. Our efforts in making the nonoil sectors more progressive have resulted in the national economy being more enhanced. We have become more consistent in making international balance of payments and there is an increase for our state budget.

One of the most important factors which effected our rapid economic growth was due to the establishment of basic infrastructure networks. During the early stages of development, our country was considered one of the most backward nations with poor basic infrastructure such as electricity, port facilities, and telecomunications. Since then, we have given top priority to the development of infrastructure. We are aware that our economy would grow more rapidly only through the establishment of appropriate, basic infrastructures. Indonesia's current economic activities are rapidly broadening due to the availability of infrastructure, and this has provided us the opportunity to compete with the other nations in the international markets. The development of infrastructure had greatly influenced Indonesia's current economic stance. Indonesia is currently one of the countries equipped with modern infrastructure facilities. Yet, we feel that we are still inadequate in certain types of infrastructure. This is due to the rapidly increasing economic activities.

Allow me to state several factors concerning this issue. In 1968, the electricity supply was only 1.2 million kilowatts. But during the 1991-92 period, the electricity supply increased by 26 times from the previous 1.2 million kilowatts to 31.5 million kilowatts. Road networks had been widely expanded to various parts of the country and could accomodate the ever-increasing vehicle population. The number of buses, trucks and automobiles using such road networks increased 11-fold from 314,000 vehicles in 1969 to more than 3.6 million. Since 1976, Indonesia has entered the era of sophisticated telecommunications by the launching of its first Palapa satellite that can cover all corners of the country. The installation of automatic telephone exchanges increased the number of connections by 20 times from 77,700 connections in 1968 to nearly 1.6 million in the 1991-92 period. The success achieved in the development of various elements of infrastructure has placed national stability on a more secure basis and simultaneously stimulated economic growth.

The current rate economic growth is considered high if compared to that over the last 25 years. This is due to our accomplishment in investments which are continuously broadening—whether undertaken by the government, business, or public sectors. Investments by the business sector are rapidly expanding annually and this could be observed over the last five years. This was effected by the deregulation and debureaucratization measures. In 1988, the amount of domestic capital investments in the country amounted to 14.2 trillion rupiah while foreign capital investments amounted to U.S.$4.5 million. Domestic capital investments increased to 55.3 trillion rupiah in 1990 and foreign capital investments rose to U.S.$8.7 million. The economic temperature rose—parallel to the rapidly increasing investments. As such, to cool the warming of the economic climate, the government took obligatory economic measures in the monetary and fiscal fields and also on foreign commercial loans in 1992. These had caused the decline of the approved domestic capital investment value to 29.3 trillion in 1992. On the other hand, the foreign capital investment value increased—rising to the amount of U.S.$10.3 billion. There is still a high interest among local and foreign investors even though there was a decline recently. From 1988 to 1992, the approved domestic capital investment reached 159.4 trillion rupiah while the approved foreign capital investment stood around at U.S.$37 billion.

Not all investment agreements will be realized due to various reasons. The total amount of the targetted capital investment in Indonesia is very huge. In view of that, although only some portion of the planned investment had been implemented, they have contributed to the very rapid economic growth over the last recent years. Bearing in mind the limited amount of state funds, which we will continue to bear with in the coming years, the government has to promote capital investment by the business sector and individuals in order to maintain such a high economic growth.

Honorable session! Since the beginning of development implementation, the goals and policies that the government set forth have always been based on our resolution to be self-reliant, namely, the determination to realize our aspirations as an independent and sovereign nation on equal par with other nations. All Indonesia's development efforts, which are aimed at advancing the nation in all areas and freeing itself from backwardness and poverty, are none other than the country's efforts towards self-reliance. The development program that we have been implementing has stepped up the maturity of our self-reliance. Our achievement and ability to maintain self-sufficiency in rice has increased our ability to provide for the people's needs. We are no longer the a victim of the ups and downs of world rice market, unlike those days when Indonesia was the biggest importer of rice in the world.

The rapid growth of industries has produced goods for the country's consumption and production. In fact, an increased number of our industrial products succeeded in penetrating the international market and are competitive with products of other nations abroad. This concrete proof that our growing self-reliance is not just passive in the sense of the word, but an active self-reliance.

We will continue our efforts in our industrial development. The country is fully aware that the mastery of technology, which is relevant to the development, is the key to the nation's progress and self-reliance in the future.

In 1968, prior to the start of the implementation of delopment, the government could only finance its routine activities from limited state earnings. We managed to increase state earnings in the following years. With this, we filled out the government's savings, which became the source to finance development projects from domestic funds. From time to time, however, we had to look for foreign aid to finance development projects because of our dependence on oil in the past had made national savings decline in line with the fluctuating oil prices. The drop in oil prices in the middle of the 1980's caused the government's savings to be short of funds needed. In the final year of the fourth Repelita, national savings only received less than 2.3 trillion rupiah.

For the sake of maintaining development continuity, we have to utilize a huge foreign aid to ensure continuity for ongoing development projects. In line with the enhancement of self-reliance and hard work, however, we managed to raise national savings in the following years. The government's savings reached about 13.3 trillion rupiah in the 1992-93 fiscal year. This means the government's savings increased about six times during the last five years. We will continue to work hard to increase the government's savings so that its role as the source of funds to finance development projects will be greatly intensified. By lessening our dependence on oil, national savings are less affected by fluctuating world oil prices and foreign exchange earnings from oil exports. The base of our self-reliance becomes wider and stronger in this way.

We all aware that no matter what kind of development we aim to achieve, priority still lies in the spiritual and physical development of the Indonesian people. The 1988 guidelines for state policy stated that all religious groups, which have faith in the Almighty God, should continuously and jointly lay a strong spiritual, moral, and ethical base for national development in accordance with the practice of Pancasila. Within this framework, the religious life of the country's religious followers continue to prosper. Houses of worship for all religious followers increased from year to year. More people of the new generation frequented these houses of worship. On the whole, an attitude that calls for a more tranquil, peaceful life and mutually respecting each other has been developed. The deep belief in religious life is very essential to give spiritial support to us as a nation in facing various trials and challenges while implementing development.

Fellow countrymen! Five years ago, when I accepted the appointment as the president of this country, I was deeply aware of the heavy responsibility that I have to shoulder. I was determined to complete a great task and be absolute in my decision to lay a strong foundation in order to be ready for the take-off for the second phase of the long-term development plan. I have performed my duty to lead our countrymen to complete the major task. Every work done by a human being is never short of criticism. Only the Almighty God is perfect. We fully accept the fact that our development is also filled with shortcomings because it is worked out by human beings. But we are very confident that we also achieved some success in our development projects. Our development achievements have received recognition and appreciation by international agencies and the world community. It is heartening to know that our development achievements cover several areas such as rice self-sufficiency, family planning program, promotion of youth's role in national development, education, management of foreign loans, economy and development, equity in national wealth, and the lowering rate of poverty have gained international recognition. But we are aware that we have to face more challenges ahead. The dynamism of development has taught us that development is a process that will never end. Old problems that we have solved will be bring about new problems that wait to be solved. We have shouldered a heavy burdern and resisted the bitterness, so much so that we believe that the measures that we resorted to were for our benefit as a nation, for future generations, and for our kith and kin in the future.

I wish to express my heartfelt thanks and highest respect to all Indonesians for being under my leadership over the past five years. The success of my leadership is attributable to the support, trust, and hard work of all the circles, groups, and generations of this nation. All the weaknesses of my leadership are due to my limitations as a human being.

I wish to express a heartfelt thanks for all the support for my leadership, and I also wish to thank all those who corrected me and and criticized me during my previous five-year presidential term. I will use all the criticisms and corrections for self awareness and remain responsible to participate in improving the policies I implemented. On behalf Vice President Sudharmono, I am extending a big thanks to you all.

Today, with a sense of relief, and grateful to God, I am passing over the duty of implementing the guidelines of state policy to the MPR—the highest legislative body, the beholder of the sovereignty of the nation. I highly value the MPR's appreciation for my performance in my duty.

Honorable chairman! My presidential duty is over now. May God bless all of us. Thank you, peace be upon you again.

Paper Views Armed Forces Challenge to Suharto

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[Commentary by Sonny Inbaraj: "Indonesia's military wary of Suharto"]

[Text] On Monday Indonesia's President Suharto officially opened the People's Consultative Assembly [MPR] and the 1,OOO-member MPR will meet in a 10-day session to elect a president and vice-president for the next five years.

For the past quarter of a century, assembly sessions have largely rubber-stamped President Suharto's policies and wishes and certainly there has been no challenge to his position all this while.

However in this MPR session, the 72-year-old leader has finally encountered some resistance in the appointment of a vice-president.

Since his election for a fifth term five years ago, President Suharto has been subject to widespread speculation on whether he would seek election for a sixth consecutive term or would step down voluntarily. Also there have been predictions that he would be pushed aside or forced to pass on the presidency to someone of his own choice.

But in Indonesia, there has been greater speculation over the selection of the vice-president. Since it is widely felt that this person would succeed President Suharto, the Indonesian Armed Forces (Abri) in particular have been lobbying hard to ensure that their role in Indonesian political affairs is not diminished by any moves to elect a civilian in this key position.

The armed forces establishment led by the dominant branch, the army, has been Indonesia's premier institution since 1965 when, in its own view, it answered the summons of the people and moved into the centre stage of national life.

Comprising the three military services and the police, the armed forces operated according to a doctrine of their own evolution called dwi fungsi or dual function, under which they were recognized as having a double role as both defenders of the nation and as a sociopolitical force in national development.

Of late the Indonesian military have been wary that their power base could be eroded by Suharto. The strong presidential action in handling the investigation into the East Timor massacre on Nov 12, 1991, and Suharto's dismissal of senior officers involved in the shooting of pro-independence protesters in the capital Dili, have added to those fears.

Due to international condemnation of the shootings, Suharto on Nov 18, 1991 appointed a National Commission of Inquiry to investigate the matter. On Dec 28, 1991, Suharto sacked two senior military officers, Maj Gen Sintong Panjaitan, commander of the regional military command in Bali and Brig Gen Rudolf Warouw, the commader of operations in East Timor

After the sackings, Suharto then instructed former army chief Edi Sudrajat to appoint a Council of Military Honour to investigate military behaviour on Nov 12 and recommend appropriate disciplinary action. The council was in operation from Jan 2 to Feb 20, 1992 and on Feb 27, it issued a press release announcing that six officers had been disciplined, including three dismissed from the army altogether, two removed from their jobs in the army bureaucracy but kept on active duty, and one temporarily reassigned but kept on active duty.

Suharto too has been using his influence in the appointment of several senior army officers and in order to counterbalance the increasing strength of anti-Suharto elements within the military, the president has sought to cultivate support within the large Muslim community.

In 1990, he had a hand in establishing the Indonesia Muslim Intellectuals Association, which many observers see as an alternative power base for the president.

Primarily in Indonesian political culture, such manoeuvres are conducted behind the scenes. But this time it appears that the armed forces have thrown down the gauntlet by openly nominating Gen Try Sutrisno, the armed forces commander-in-chief, as their candidate for vice president.

Despite Suharto's well-known preference for Research and Technology Minister Habibie, it has now become extraordinarily difficult for him to force his will on the MPR.

In 1989, Suharto rejected claims that he would attempt to unilaterally appoint the vice-president. Instead he outlined a number of criteria for the position and stressed that the most important one was getting Support from the major dominant social and political groups in the country.

Gen Sutrisno it could be argued clearly meets this criteria and even more importantly, he also meets the unstated conditions for presidency—being Javanese and Muslim.

The events in 1965, constituted a turning point in recent Indonesian history. As the Vietnam conflict deepened during that period, the United States began thinking of the countries in Southeast Asia as "frontline" states in the battle against communism.

Thus Sukarno's Indonesia at that time was authoritarian, anti-imperialist and vocally nationalist. The government included communists yet was not itself communist, but in the eyes of the Americans it was playing a dangerous game.

Since Sukarno was co-opting the communists and other political parties, the army felt that it was losing its grip on the country.

The army's chance came in the autumn of 1965. In the early hours of Oct 1, there was an abortive coup which the military blamed on the communist party, though the latter's role was unclear and experts subsequently doubted the official explanation. In any case it was the excuse the officer corps needed to step in and save the country. Indeed it was quite possible that they had concocted the alleged communist takeover in the first place, to justify seizing power.

Furthermore there were charges of American complicity in support of the army. The precise US role remains in dispute, but Washington welcomed the change.

The outcome was that Gen Suharto established a military government though Sukarno remained as figurehead until March 1967 (he died in 1970). The MPR elected Suharto as president and he was inaugurated in March 1968.

Suharto's assumption of power brought an immediate reorientation of Indonesia's foreign policy. Soviet aid ended, and relations with China were broken. While Indonesia remained formally neutral, it became a member of the Association of Southeast Asian Nations (Asean).

Suharto has always had an almost mystical approach to popular politics and he may well be planning just one more unexpected move in the final attempt to leave his legacy to Indonesia's future generation, say observers. They point out that he might use his effective veto to reject any vice-presidential nomination, if in his opinion, the candidate will not be able to work closely with him.

The rumour-mills of Jakarta had been working overtime in the past week producing all sorts of fantasies in the possible candidates for vice-president.

On Sunday, with the majority government party Golkar finally declaring support for the military candidate, Gen Sutrisno, it appears that for the first time since being in power for over a quarter of a century, Suharto had to back down to the armed forces.

The overwhelming question now is whether the 72-year-old Suharto will be in office till the end of his sixth temn in March 1998, or will he step down in favour of Gen Sutrisno before he turns 77.

Laos

Finance Minister Reports Budget Plan to Assembly

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[Report on the implementation of the 1992 state budget and the draft 1992-1993 state budget plan, delivered by Finance Minister Khamsai Souphanouvong to the inaugural meeting of the Third National Assembly in Vientiane on 22 February—live]

[Text] Respected Presidium, distinguished guests from within the country, and members of the National Assembly: I feel highly honored to present to the Third National Assembly session a report on the outcome of the implementation of the state budget in 1992 and a proposal on the draft state budget plan for 1992-1993—from October 1992 to September 1993—for consideration and approval by the National Assembly.

The report consists of three main parts:

The first part consists of the economic and financial situation and the implementation of the state budget in 1992;

The second part consists of the direction and goals of the financial and budget policy for 1993;

The third part consists of the continuing transfer of financial and budgetary work into a new mechanism to ensure efficiency in organizing, managing, and implementing the state budget for the 1992-1993 period.

Part I: The macroeconomic and financial situation and organization toward implementing the state budget in 1992.

A. The economic, financial, and monetary situation in 1992.

By means of continuously implementing the comprehensive innovation principle of the party, improving the efficiency of the macromanagement of the state, and enhancing the right to self-mastery, the people of all ethnic groups, strata, sectors, and localities throughout the country consistently struggled to overcome all kinds of difficulties and natural disasters. They were united in exerting efforts to increase their production, expand the economy, and develop society, thus making 1992 the third consecutive year that the national economy has developed with political, economic, financial, and social stability.

Compared to 1991, the total gross domestic product in 1992 increased by 7 percent. Of that number, agricultural and forestry production increased by 8.3 percent, industrial production by 7.5 percent, and services by 3.9 percent. The price index of the Vientiane market decreased from 10.4 percent in late 1991 to 6 percent in late 1992. Based on market rates, the currency exchange rate between the Lao kip and the U.S. dollar in 1992 remained stable between 724 kip per dollar in January to 720 kip per dollar in December. The highest exchange rate was 740 kip per dollar in April. Compared to the bank currency exchange rate, there was only a marginal difference of only 2 percent. Total reserves of foreign currency in the banking system in late December 1992 was as high as U.S. $81 million which made it possible to guarantee imports of goods for about four months. This factor contributed to considerable financial and monetary stability. Such macroeconomic achievement was a result firstly of the active and efficient implementation of the new correct economic policy of the party and state, which proved fruitful both in the country and the region. The other factor leading to success was the cooperation with other countries, which helped to minimize the repercussions from the drought in 1992 and the remaining weak points and shortcomings passed on from previous years.

B. Situation concerning the implementation of the budget in 1992.

The year 1992 was the first in the implementation of the centralization system in which finance and budget have been put under the management of the government and ministries or services concerned. It was also the year in which the budget was implemented amid the generally effective development of the economic, financial, and currency situation. Nevertheless, it is noted that though the budget for 1992 considerably increased compared to that of 1991, it was not effectively implemented as expected in fulfillment of the annual plan. This is a result of the delay in paying expenses. At the same time, there have been many difficulties in drawing revenue from foreign countries due to delayed talks on agricultural loans from the Asian Development Bank and delays in the request for [words indistinct] loans from the World Bank in the second phase.

1. The situation concerning the implementation of the budget:

In assessing the implementation of the budget, one must compare the figures compiled from January to December 1992 with those compiled in 1991. The achievements in fulfilling the annual plans and the gross national product must also be taken into account. The total amount of revenue gained in 1992 was 91.49 billion kips, representing 15.8 percent more than that gained in 1991. The annual plans were 93-percent fulfilled. Of these revenues, 73.51 billion kips were gained from taxation, representing 12.2 percent more than that in 1991 and 84.7 percent of the annual plan. The revenue gained from taxes was collected from companies and individuals in the form of duties from their profits, salaries, imports, and others. The total amount of revenue gained in the form of duties was 19.86 billion kips, representing 18.1 percent more than that of 1991 and 16.7 percent more than that of the annual plan for 1991. This proved the efficiency in collecting income taxes in the country. However, the collection of duties was not satisfactorily carried out.

The revenue collected from trading businesses amounted to 18.8 billion kips, or 12 percent more than that of 1991 and 64 percent of the annual plan. (?This showed that) the target for the implementation of the 1992 plan was set too high and the collection of the duties, for example the collection of consumption duties in the circulation of goods in the country, failed to meet expectations. The figures on the duties collected from the circulation of goods in the country are the same as those collected from imported goods. The amount of import tax was 14.1 billion kips, or 11 percent of that collected in 1991, representing 92 percent of the annual plan. The amount of export tax collected in 1992 was 10.7 billion kips, the same as that collected in 1991. The annual plan was fulfilled by only 80 percent in this regard due to the inconsistent implementation of the 1992 export plan.

2. Nontax revenue: Nontax revenue are gained from collections from state enterprises, the sale and lease of state property, the air transit service, [words indistinct], and revenues gained from various services. The amount of revenue of this type gained in 1992 was 90.97 billion kips, representing 39 percent more than that in 1991 and 79 percent of the annual plan. The failure to fulfill the annual nontax revenue plan was a result of the failure by enterprises to switch to implementing a new form of ownership.

3. The imbalance between the revenue from foreign countries and the budget:

According to the 1992 budget plan, the imbalance of revenue from foreign countries and the budget amounted to as much as 35.36 billion kips, or equivalent to $49.45 million. The amount of revenue gained in early 1992 was only 14.8 billion kips, or only 42 percent of the estimated figures in the annual plan. The main cause was the delay in the talks on the plan to obtain loans totaling $30 million for agricultural purposes from the Asian Development Bank, $15 million of which were allocated for the 1992 plan. It also resulted from the delay in fulfilling the conditions stipulated in an agreement signed with the World Bank on granting loans totaling $20 million [words indistinct] in the second phase.

This second issue has concerned the general situation in implementing the budget.

The 1992 state budget that the government proposed to the National Assembly for approval was structured for expenditures from January to December. Due to the change in the period of the fiscal year to an October-to-September system, the implementation of expenditures of the state budget for 1992 thus covered only nine months from January to September 1992. Therefore, I will report on the implementation of the budget expenditures in the first nine months of 1992. I will report on the recently introduced fiscal year system in order to conform with the main financial mechanism.

C. The figures on budgetary expenditures.

The approved budgetary expenditures for the first nine months of 1992 amounted to 146.31 [figure as heard] billion kip, representing 76 percent of the annual plan, with the following breakdown:

1. The expenditure on the administrative mechanism was 51.72 billion kip, representing 69 percent of the annual plan. The expenses for the administrative mechanism were spent on salaries and other spending according to various policies for cadres, soldiers, and police, as well as expenses for salary scale adjustments for state employees. Because the state employee salary scale has not been updated since early 1990 and in order to maintain a standard salary structure, the government has decided to award additional allowances for state enterprise employees by 5,000 kip per person per month effective September 1992.

2. The expenditure for the improvement of economic management was [figure indistinct] kip, representing 48.5 percent of the year target. This expenditure is designed to enable the government apparatus to carry out economic management in line with the state-adjusted market economy mechanism in all fields related to the people's living conditions.

3. The expenduture for developing the political and administrative grassroots and promoting economic activities was 57 billion kip. This includes the payment of allowances for students studying both domestically and abroad and totals 1.52 billion kip, or about 31 percent of the annual plan. The low expense on such allowances was counterbalanced by high expenses in repatriating Lao students from the former Soviet Union.

4. The expenditure on pension funds and compensation for cadres injured on duty, medical fees for cadres receiving treatment in hospitals, and medicine and aid items for the drought-affected people, amounted to 2.75 billion kip, or 59 percent of the year plan.

5. The expenditure on the promotion of international organizations was 237 million kip, or 46 percent of the year estimate.

6. The expenditure on the repayment of interest on debt and capital for government loans from organizations in the country and from other countries amounted to 7.62 billion kip, or 53 percent of the year estimate.

7. The expenditure for setting up economic and investment structures registered at 67.36 billion kip, 74 percent of the year target. The spending included 15.82 billion kip of domestic funds and 52.5 [figure as heard] billion kip of funds from foreign projects.

D. The expenditures under the direct management of all provinces and Vientiane Municipality.

In 1992, apart from the allocation of budgetary expenditures for various services in each province and various districts, we also initiated the transfer of certain ministries' expenses to be under the management of the provincial treasuries. While the state budget was being centralized, we also gave each local administration an amount of money to be spent under its own direct discretion.

Of the total budgetary expenditure of 93.81 billion kip for all provinces and Vientiane Municipality, the expenses under the direct management of each province and Vientiane Municipality constituted 20.3 billion kip, or 21.6 percent of the total expenditure. The then Ministry of Economy, Planning, and Finance distributed the largest possible approved expenditure to each province and Vientiane Municipality provided that they further allocated the money to various services and districts.

If a province collected total revenue amounting to less than the expenses approved in the budget, then the Ministry of Economy, Planning, and Finance contributed additional money to balance the budget. On the other hand, for provinces that earned revenue in excess of the expenses approved in the budget, the Ministry of Economy, Planning, and Finance informed and authorized the agencies directly attached to ministries in that province to allocate the money to help other provinces with shortfalls.

Such a financial system was also applied to military and police units in each province and grass-roots building projects in localities.

In addition, the leadership of the Provinces of Savannakhet and Champassak paid to balance the budgets of the Provinces of Saravane, Sekong, and Attopeu.

That was under the initiative toward devolving power to local administrations thereby enabling them to help the government in implementing budgetary expenditures.

On reserved funds, in order to facilitate local administration to solve problems in communications, and to have money on hand for use in work at the grass-roots level and in emergency situations, the government implemented a policy of giving dividends to the governor of each province and Vientiane Municipality and assigning him responsibility for supervising the spending.

I would like to present a report on certain statistical figures as follows:

In the first nine months of 1992, the local administrations of the Provinces of Savannakhet, Khammouane, Champassak, and Vientiane Municipality, spent government reserve funds of 1 billion kip for use in the construction of public utilities at the grass-roots level, such as building small irrigation systems, production through collaboration between the state and the people, building inter-village roads and bridges, providing assistance to the people, and carrying out different kinds of emergency work.

This does not mean that the government does not regard the financial and budgetary centralization as important for [word indistinct] and the legitimate interests of the localities.

E. The balance of the budget for the first nine months of 1992.

In the first nine months of 1992, the total collection of budgetary revenues amounted to 67.1 billion kip, while the approved budgetary expenditures were 146.31 billion kip. As a result, the budgetary deficit was 79.21 billion kip.

The funds to balance the state budget included 67.35 billion kip from foreign countries, 1.86 billion kip from government bonds, and 82 million kip from a balance brought forward from the previous year budget, thus making a total of 69.2 billion kip. Since the ninth month of 1992, local and foreign investors still have not yet paid a combined total of 10 billion kip to the government. This resulted in a delay in the distribution for some expenses. I can assure you now, however, that most of the delayed budgetary distribution has been paid out for expenditures such as salaries and funds for specific objectives.

F. To sum up the implementation of the budget in 1992, the total budgetary revenues collected in the first nine months was 146.3 billion kip, including 77.1 billion kip from domestic revenues.

The budgetary expenditures are as previously mentioned. The budgetary expenses were spent on certain major issues, such as the following:

1. The expenditures for the administrative mechanism was 35.34 percent of total budgetary expenditures;
2. The expenditures for (?social and cultural) affairs equaled 4.75 percent;
3. The expenditures on repayment of loan interest was 2.79 percent;
4. The expenditures on various projects and reserved funds was 3.45 percent;
5. The expenditures on the building of economic and social structures equaled 45.04 percent:
6. The expenditures on investment totalled 0.65 percent;
7. The expenditures on repayment of loan capitals equaled 2.43 percent;
8. The expenditures on repayment of debts from the previous year was 5.14 percent.

That is the first part of my report.

Part II: The direction and goals of financial and budgetary policy for 1993.

A. The anticipation of the development of the macroeconomy in the coming years.

First of all, I would like to express my full support and cooperation for the collective duties, collective goals, and principal objectives and directions for the national socioeconomic development plan for the period from now until 2,000 that the government has proposed to this meeting.

Now, I would like to go into detail on the first issue, or the growth rate of total social products. The planning of the state budget for the period of 1992-1993 is based on the aforementioned duties, goals, and directions, taking into account the anticipation of socioeconomic development for the period from 1993 to 1995, especially in 1993. The growth rate for national economic development for 1993-1995, the first three years of the eight-year period from now to 2000, is predicted to be 7 to 8 percent per annum provided that the plan is carried out resolutely.

B. The balance of foreign payment.

The balance of payment with foreign countries is an important factor to ensure the national economic growth rate and monetary stability. Our goal is to relentlessly try to reduce the balance deficit of foreign payments to around 13 percent, depending on total social products. In order to conform with the expected economic growth rate of 12-13 percent [as heard], import value is expected to increase by about 13 percent a year. Compared to previous years, import value increased by 16 percent in 1992 and 13 percent in 1991. Under the circumstances, in order to maintain the balance deficit of foreign payments at about 13 percent, efforts must be made to increase the country's total export value by about 10 percent a year. Therefore, the government will thoroughly study the issue to find the best effective measures to implement.

Not including border trade, with about U.S. $11.9 million worth of goods sold to foreigners, the total export value in 1992 was $116.3 million. Of the total exports, 60 percent was locally produced goods, including about 8 percent for coffee and agricultural products, 14 percent of electric appliances, 36 percent for timber and processed wood products, 3 percent for mineral products. The remaining 40 percent of export value included about 23 percent from textile products, and about 17 percent from assembled motorcycles and other kinds of goods.

The motorcycle assembly industry and textile industry are important sources of income for our Lao people. The payment for purchases of goods through our banking system is also a factor contributing to our foreign monetary business. Nevertheless, it is different from importing raw materials for the production of export goods. Therefore, we must try to find export products which require the significant use of raw materials in our country.

Our country is rich in natural resources in the fields of hydropower generation, agriculture, forestry, and mineral resources. Electricity generation capability will increase by about 12 percent when the construction of the Nam Song and Nam (Lik) hydropower projects, with loans from the Asian Development Bank, are completed. While the demand for electricity consumption in the country is increasing, the ability of Thailand's electricity industry to meet domestic demands from its central part will also increase. The result will be a reduction in the quantity of electricity Laos sells to Thailand. With this reason, the government has listed the expansion of hydropower electricity generation as a priority requirement.

Although agricultural production contributes about 8 percent to the total export value, for the immediate future and in the long run and in order to comply with the directions set by the government, the proposed provincial budget is important for the promotion of agricultural production. Agricultural and forestry production constituted 21.5 percent of the funds for the entire infrastructural construction in 1992-1993.

A specific plan has been outlined for environmental conservation for the period 1993-1995. We will be attentively aware of environmental protection in order to conserve our natural resources for the interests of the people and the production of export goods.

As for the direction of exports expansion in the coming years, I think that there is need to set measures and guidelines for the promotion of the kinds of export goods.

The guidelines are: There must be a market for these kinds of goods; these kinds of goods have bright prospects for export; and the cost of importing raw materials for production of these kind of goods is low.

The government will focus on promoting goods which have bright prospects for export, or else our investors may put their money in various kinds of business without clear direction or may not pay as much attention as they should to the kinds of goods which would be significant for export expansion.

Enough investors are expected to help balance exports with imports. I think that there will be enough investors to ensure imports increase by 13 percent per year from now to 1995.

The earnings from export [words indistinct] and from foreign currency through banking services are expected to increase. The increase in the exchange rate of Lao kip currency with foreign currencies from various embassies and international organizations was 37 percent in 1992. The revenues in foreign currency from tourism in 1992 increased by 140 percent. The grant aid from foreign countries is expected to be about U.S. $60 million a year. The low interest loans from the World Bank and the Asian Development Bank are planned to be around U.S. $100 million to $110 million a year. We are also in the process of talks to request a low interest loan from the International Monetary Fund.

I think that we will have to attentively make an effort to balance foreign payments by ourselves, based on a goal to try and reduce funds from foreign sources in order to gradually reduce the budgetary imbalance from 1995 on.

C. The investment policy.

Investment is a must to ensure economic development. Theoretically, investment will be from the private sector—both local and foreign and from government funds. In the past, the government approved funds for investment and building the economic structure. The estimated economic growth rate of 7-8 percent a year is at a possible level considering the state budget, bank, and private investment. The government has decided to use the state budget to build an economic structure to enhance economic expansion.

At the same time, the government will also continue to promote investment by local and foreign private sectors in the fields of production and services. The government will also continue to set policy to assure financial and monetary stability. It will also seek permission from the National Assembly to issue some decrees to serve as basic guidelines for further promulgation of laws by the the National Assembly.

The decrees will include the areas of business, the establishment of business enterprises, the announcement of dissolution or bankrupcy for business enterprises, and the use of checks and other forms of monetary notes. Members of the the National Assembly may remember that the government issued a decree on land—Decree No. 99/N on 19 December 1992—regarding land as a factor for investment.

The Ministry of Finance, Ministry of Trade, and other ministries concerned will have to cut short procedures to hasten business registration and to facilitate the operations of trading—both imports and exports—in line with legal and free trade principles.

D. The control of inflation.

The control of inflation is an economic goal aimed at promoting production and investment. It is also aimed at assuring civil servants the ability to live on their salaries. In the past, the government was able to reduce the inflation rate from 8.2 percent in late 1989 to about 7 percent in late 1992. The country obtained (?revenues) from several international monetary instiuttions. The banks' loans were appropriately issued. The mobilization of funds was carried out through government bonds and the government did not produce bank notes to compensate for the budgetary deficit.

I am confident the inflation rate will be lower than 10 percent based on the estimated economic growth rate for the next several years and the potential to reduce the deficit in foreign payments.

Another issue is the fundamental objective of the budget and some finance policies.

The fundamental objective of finance work is to reduce the budget deficits by mobilizing incomes from within the country and by redirecting budgetary spending. This is in order to fulfill the macroeconomic objectives proposed by the government to this meeting.

1. The reduction of budget deficits by means of increasing state earnings: The government will strive to reduce budget deficits by using state savings from now to the year 1995. Between 1990 and 1992, the ratio of budget deficits compared to the expenditure decreased from 71 percent to 56.7 percent. From the 1992-93 budget plan, the radio of budget deficit [word indistinct] was 16 percent. We must strive to become self-sufficient in daily expenditure. That is, to use foreign investors to fulfill our socioeconomic development targets.

2. The policy on increasing revenue for the budget: At present, some 10 percent of the social gross product is revenue for the budget. The government plans to increase the budget by 13 percent in 1993 with a view to achieving between 14 and 15 percent in 1995. The government has discussed some policies aimed at increasing revenues for the 1992-93 budget. These policies have been prepared for some time. These policies can been immediately consolidated for the better. These policies are as follows:

a. The policy to collect land tax in place of agricultural tax. At present, the collection of land tax is very low in accordance with this policy. The amount of money collected is not even adequate to pay the salaries of state employees who collect land taxes and fees. At present, one result of this policy is that a situation develops in which users of government land to carry out business enterprises pay low taxes while farmers, who use land for production, have to pay higher agricultural taxes. Therefore, for the sake of fairness in society, the government has a plan to implement the land tax policy to replace the agricultural tax.

b. The decree must be issued on the registration of and the placing of stamps on official documents or other documents, which must be submitted to the government for verification. Examples are purchase contracts, loan contracts, lease contracts, and other official apllication forms.

c. The policy of collecting import taxes on all kinds of goods, which are currently on the exemption list, with the lowest rate between 13 and 5 percent. Import taxes will be exempted only on goods which are defined in agreements with foreign countries and in government decrees and are specified in certain laws, such as the investment law. Import taxes and fees must be first collected from all raw materials imported for processing as export goods. After finished products from such raw materials are reexported, those import taxes and fees can be refunded.

d. Actual selling and buying prices must be reported so import taxes can be correctly collected. Median prices, which are in practice at present, must be abolished.

e. Transit taxes must be appropriately collected on goods imported by firms in the country for reexport to third countries.

f. The rates of taxes on use of fuel oil, liquors, beer, beverages, and tobacco must be increased. These taxes can be easily collected because these are luxury goods. If the rate of the consumption tax on gasoline fuel oil increased by five kip per liter, the government will be able to collect 1 billion kip more a year; on kerosene by five kip per liter, the government will earn 500 million kip more a year. The Lao beer company produces about 8 million liters a year. If the beer consumption tax is increased by 50 kip per liter, the governemnt stands to gain 400 million kip more a year. In the case of fuel oil and beer, they are competitive consumer goods. Many firms have imported fuel oil and beer for sale here in competition with Lao beer. I believe that importers of these goods will not be affected if sales taxes on these goods are increased. Their margin of profit, however, may decrease.

g. [Words indistinct] to be under the centralized systen by clearly sharing responsilities and interests among various sectors and between the center and localities.

h. To continue the policy of transfering state enterprises into other forms of ownership in accordance with the new mechanism.

i. The government has just issued Decree No. 404/N.Y. dated January 1993 on the collection of the lowest revenues from profits from enterprises without any accounts.

In the past, some trading firms have taken advantage by declaring they operate at a loss in order to not to pay revenue on profits at the rate of 45 percent. The lowest rate of profits is 1.5 percent, which must be collected from all firms by relying on the business figures as a basis for calculation. From actual calculations, if the firms earn more profits, they will pay more taxes. If they make less profits than that or make no profits at all, they must pay 1.5 percent to the government. The next issue is to make further preparations. That is, the Ministry of Finance and other ministries concerned must have plans to study and improve the rates of import taxes and revenues, which are aimed at increasing income and adjusting the economy to become more appropriate than before. At the same time, the Tax and Revenue Law must be revised for enforcement in mid-1993. In the meantime, the list of goods must be classified in accordance with international principles. The ministries must also study and collect fees from users of communications routes with a view to generating earnings to regularly maintain and repair communications facilities.

E. The policy of using foreign capital.

The government has pursued a correct socioeconomic policy. That is why it has received aid and loans with low interest rates of between 0.75 and 1.00 percent with a grace period of 10 years and a repayment period of 20 years from many countries, international monetary institutions, interorganizations, and nongovernmental organizations. The government expects to utilize such foreign capital to balance the budgets and economic development with a view to increasing budgets from domestic sources, building [words indistinct] goods for export, and building the socioeconomic structure with appropriate selection and effective management.

F. The policy on budget spending.

In order to fulfill the target of reducing the budget deficit, which is the central problem of budget policy, the Ministry of Finance has defined a plan to change the direction of payment, management, and (?leadership) of [words indistinct] to be more effective and more economical than before.

G. Expenditures for daily administrative work.

These expenditures are to be proposed to the government as follows:

1. To pay wages in accordance with the revenues we have. Generally speaking, this kind of payment does not depend on printing (?banknotes) to make up budget deficits, which will become a major cause of inflation;

2. To manage daily expenditures at a certain rate by reducing (?manpower), fixing payment, heightening a sense of thrift, reducing unnecessary spending so as to turn the money we have into maintaining and repairing what we have built— as roads, schools, hospitals, offices, organizations, and other facilities. This payment will eventually increase in the near future after many infrastructure projects have been completed;

3. The government must consider reducing manpower between the period from 1993 to 1995 as a condition for improving salaries and other policies in late 1993;

4. After reducing manpower, the Ministry of Finance and other ministries concerned will study and adopt some policies and measures to define jobs and to build and install factories and services by relying on funds provided by private sectors both from domestic and foreign sources. The government is also able to create new jobs and has instructed certain firms to compete [words indistinct].

H. The policy to promote independent professions.

Regulations must be adopted to entice foreign firms investing in Laos to utilize as much Lao labor as possible. In addition to making payments to state apparatus, the government also has obligations toward society. It must spend for health care, stipends for students, and social welfare funds for the people to reduce their hardships. In that case, the government will implement a policy of charging medical fees from those who have income and instructing private companies to look after their own employees and workers when they are sick. At the same time, the government will consider implementing a social welfare program for state employees, a policy of providing medical care to Buddhist monks, pupils, students, and poor people. It will consider a policy of giving a stipend to students [words indistinct], and the policy toward those who have committed virtuous deeds toward the country and toward victims of natural calamities.

The budget should be directed to serve the following purposes:

1. To reorganize construction projects in the socioeconomic field with key points, to combine various services, and to ensure adequate funds to be added to funds acquired from foreign countries;

2. To set aside some state funds to promote export goods production, for rural development, and for environmental protection;

3. To possess adequate funds for managing the macroeconomy.

A further expectation for the 1992-1993 fiscal year budget is if there is no change in the tax and revenue policy, total revenues this year are expected to reach 150 billion kip. Compared to the period between October 1991 and September 1992, the budget for the 1992-1993 fiscal year will increase by 18.8 percent. After the Ministry of Finance has studied and remodified some tax and revenue policies, the additional revenues will be 19.19 billion kip. When combined with the old budget, the total amount of the budget will be 124.13 billion kip [figure as heard]. Compared to the same period for last year, the budget has increased by 40.6 percent.

As for income from taxes and fees, the calculation of taxes and fees relies on expectations for the momentum in economic, trade, and services development [words indistinct] the total amount is 69.58 billion kip. In accordance with the former policy, revenues collected from income generated by companies and private persons—profits revenue, salary revenue, rent revenue, patent revenue, land tax, and other revenues—amount to 23.65 billion kip, an increase of 17 percent compared to the past year. The land tax policy approved by the government will enable us to earn some 3 billion kip. The collection of revenue from profits at the lowest rate of 1.5 percent will generate 350 million kip. When combining the old policies with the new one, the earnings from income revenues will be 26.99 billion kip—an increase of 33.6 percent compared to the past year.

The revenunes collected from sales and purchases, such as the [word indistinct] revenue, usage revenue, taxes on natural resources, and several kind of fees amounts to 17.79 billion kip—an increase of 14 percent compared to the past year. The combined collection of consumption revenue from fuel oil, [words indistinct] and luxury goods has generated some 12 billion kip. The increase in the fuel oil consumption tax for only a period of six months will earn some 900 million kip more. The implementation of the new policy for the registration procedure will earn 35 billion kip. The old and new earnings collected from this enterprise will increase to 49 billion kip.

When the economy further develops, the need for imported goods also increases. Therefore, it is expected that the collection of import taxes will be considerably higher—an increase of 24 percent compared to the previous year, which is equivalent to 13.2 billion kip. At the same time, [words indistinct] will be developed and is expected to earn 2.5 billion kip. The collection of the lowest tax rate on certain goods also will generate some 700 million kip. When the old and new import taxes are combined, the amount will come up to 17.2 billion kip.

The collection of export taxes, such as electricity and some industrial and agricultural products, also generates some 2.9 billion kip. The revenues from the lease of various enterprises and other state properties have amounted to 52 billion kip. Some 4 billion kip in profits are also collected from dividends from some state enterprises. Charges collected from overflights amount to 59 billion kip. Earnings from selling state properties and other business enterprises have come up to 3.78 billion kip. Concession fees are expected to be about 600 million kip while other incomes are estimated at 710 million kip.

I. The budgetary expenditure plan.

The total amount of money included in the draft budgetary expenditure plan, which is presented here for consideration, is 224.05 billion kip. This is based on the abovementioned direction, tasks, objectives and expectations. This amount of expenditure balances the revenues gained from all revenue sources this year, both within the country and from foreign countries.

1. The structure of expenditures in accordance with specific objectives:

The expenditures for the economic domain amount to 81.61 billion kip, or 36.4 percent; the expenditures to serve the administrative apparati are 72.54 billion kip, or 32.4 percent; the expenditures for cultural and social purposes are 32.72 billions, or 14.6 percent; the expenditures for debt repayments in the form of loans, both within the country and from foreign countries, cover 12.05 billion kip, or 5.4 percent; the expenditures for pensioned retirees cover 3 billion kip, or 1.3 percent; the expenditures for debt repayment in the previous year cover 15.7 billion kip, or 7 percent; and reserved funds for the government and provincial governors cover 6.43 billion kip, or 3 percent. They are altogether 224.05 billion kip.

Now, I would like to present a report on some expenditures that you, members of the National Assembly, should consider. As for details on the figures, they are included in the attached chart.

(?The first one) was about the expenditures for economic work. These expenditures are allocated for the Communications, Transport, Posts, and Construction Ministry, the Agriculture and Forestry Ministry, the Industry and Handicrafts Ministry, and the Trade Ministry. The total expenditures for the work in this field amount to 81.61 billion kip, covering 36.4 percent of budgetary expenditures. The expenditures allocated for the agricultural and forestry field amount to 22.25 billion kip, covering 9.9 percent of overall expenditures. Of these expenditures, 2.19 billion kip are set to serve the agricultural and forestry apparati throughout the country, and 3.06 billion kip are set for the infrastructural work in this field, the work which covers 22 percent of overall infrastructure work.

In addition, to implement the policy of promoting the production of export goods, a financial plan with an amount of 1 billion kip has been worked out to make an investment aimed at promoting agricultural production and the production of export goods. At the same time, another financial plan with an amount of 1.42 billion kip has been adopted to promote the general economy in technical fields, such as the crop cultivation, livestock breeding, irrigation, forestry, environment, and meteorological work. Besides, facilities in support of economic promotion have been set up. Such the facilities include the publicizing of new technologies, the studying and experimentation of new techniques, and market surveys. If it is seen necessary, this amount of money can be also used to buy materials in support of agricultural production, such as scientific fertilizer, insecticide, crop seeds, and others.

To fulfill the government's plan aimed at promoting dry-season rice farming and helping reduce the burden of farmers, a budget must be allocated to pay the expenses for electricity supplied to serve irrigation work. The budget allocated for this purpose amounts to 317 million kip—(?19) kip for one kilowatt-hour of electricity.

The total expenditures for the communications, transport, and postal work amount to 44.94 billion kip, covering 20 percent of budgetary expenditures. Of this amount, 44 billion kip are allocated for the construction of infrastructure in this field, which covers 48.2 percent of all infrastructural facilities included in the budget. The total expenditures for industrial work are 12.22 billion kip, covering 54 percent of gross budgetary expenditures. Of this amount, 11.92 billion kip are allocated for the construction of infrastructure in this field, which covers 13 percent of all infrastructural facilities. (?First and foremost) are the production of hydropower and the expansion of electrical networks to various provinces and from townships to rural areas.

2. Cultural and social expenditures:

Expenditures for educational, public health, propaganda, cultural, and social works amount to 32.72 billion kip, covering 14.3 percent of budgetary expenditures. Including in these expenditures are expenditures to serve executive apparati, (?in particular) students, and to prov? social welfare for state employees, people, and [words indistinct] cultural and social network.

3. Administrative expenditures:

The expenditures for administrative, national defense, and public security work amount to 72.54 billion kip, covering 32 percent of gross expenditures. This is considered to be a considerably high percentage of expenditures. It shows that the state apparatuses are still too (?abundant). Nevertheless, as already reported, the government has already put forth plans to manage expenditures of this type.

4. The expenditures to repay debts in the form of loans:

The expenditures for the government to pay interest on loans amount to 3.2 billion kip. The amount of loans obtained from foreign countries totals 8.85 billion kip. This makes 12.05 billion kip the total debts, covering 5.4 percent of budgetary expenditures.

5. The reserved funds for the government and reserved funds for local administrations:

The reserved funds for use in an (?emergency) case and reserved funds for local administrations are set at 6.43 billion kip. These funds are for the local administrations to use in settling the (?gambling) problem and to serve the interest of infrastructure work by helping local people set up public facilities at the village and district levels.

J. The balanced budget.

According to estimated revenues and the expenditures plan, the budgetary deficit will be as much as 100 billion kip, representing 44.6 percent of gross expenditures. Regarding this issue, I would like to note that efforts have systematically been made to reduce the budgetary deficit since 1990. The budgetary deficits in the previous years are as follows: 61 percent in 1990, 56.7 percent in 1991, and [words indistinct] in 1992. In 1993, the budgetary decifit is expected to be reduced to some 44.8 percent.

The balance of budgetary expenditures is dependent on foreign revenues sources, the value of which amount to 115 billion kip or equivalent to $180 millions. Of this amount, $59.7 million, or equivalent to 42.68 billion kip, will be obtained in the form of currency for use in (?buying) goods; $102 million, or equivalent to 72.69 billion kip, will be obtained in the form of (?various construction projects) from governments of foreign countries, international monetary institutes, and international organizations.

Part III: Completely switch the budgetary financial work to a new mechanism.

Respected delegates, to transfer financial work from the Economy, Planning, and Finance Ministry and set up the Finance Ministry is the beginning point of a new financial mechanism. The objective in the years to come is for national finances to be stable and to become independent step by step. To set up the Finance Ministry and make it strong so as to be capable of carrying out financial management in accordance with the restructuring line of the party and laws of the state, it is necessary to continue to comprehensively, profoundly, and thoroughly perfect the organizational mechanism. This will enable the Finance Ministry to effectively carry out activities in accordance with the unified financial system in a principled manner. Simultaneously, it is necessary to explicitly disseminate power, divide work, and share responsibilities between the center and localities at various levels.

On the basis of the state-adjusted marketing mechanism, the Finance Ministry maintains the significant role and responsibilities of carrying out macro management and creating [word indistinct] economic conditions to guarantee the order and security for business production in order to pave the way and create a legal opportunity for businessmen and various economic sectors to freely earn their living in accordance with the laws.

To successfully do so, on one hand, the Finance Ministry must (?quickly) study and improve the legal system of the financial branch and make it steady and unified throughout the country. On the other hand, it is necessary to effectively put state laws into force so as to ensure the successful implementation, with high efficiency, of the system. Regarding this, the decisive point is that it is necessary to continue to comprehensively build and train the contingent of financial cadres in all fields of politics, ideology, attitude, and stand, as well as qualifications and capabilities. The cadres must be trained to achieve competence in specialized subjects, grasp the line and policies of the party and regulations and laws of the state, and maintain (?clear) qualifications.

To guarantee the continuation of the restructuring of the financial mechanism and to translate into reality the implementation of the budget for the 1992-93 fiscal year, the Finance Ministry has adopted certain major measures for implementation as follows:

A. Measure to manage the budgetary revenues:

1. Improve mobile inspection teams, both in uniform and in plainclothes, to coordinate with authorities of the national defense and public security forces in strictly

performing the economic management duty in accordance with the laws and completely doing away with various unnecessary barriers in order to promote the circulation in the country.

2. As for foreign companies engaging in the bids for construction projects in Laos, they, like other Lao companies, must pay income duties to the Lao government.

3. As for medium and large companies, they must strictly comply with the accountancy law.

B. Set up national treasury:

Regarding this second measure, acting upon the recent proposal of the Finance Ministry, the government issued a decree on the reform of the state treasury and accountancy system. The national treasury will serve as state treasurer and accountant. It is empowered to implement the state budget, both on revenues and expenditures. It has the duty of balancing the currency throughout the country to serve the budgets and all revenues of the government.

C. Implement the budgetary (?revenue) mechanism:

In August 1991, the prime minister issued a decree on the centralization of finances and budgets. Based on the decree, as 1992 is the beginning year of the financial and budgetary centralization and unification, I am of the following positive views:

1. The government is enabled to manage the macroeconomy and finances. This is reflected through the fact that there is a single center which is authorized to study and make decisions on the economic, financial, and monetary problems at the national level.

2. Create favorable conditions for ministries and branches to afford force and tools to carry out their responsible tasks in accordance with the plans and policies as set forth by the government without having to link expenditures of one locality with revenues of another locality.

3. The government is enabled to divide revenues from provinces which enjoy economic and currency development to provinces which still maintain mainly a natural and seminatural economy.

4. The Finance Ministry is enabled to divide money from one treasury to another by taking into account the requirements of each locality and in each period.

But the centralization and unification of the finances and budgets must be carried out on the basis of the coordination among various ministries and localities which appropriately divide rights and responsibilities. The centralization must be the centralization in the fields of policies, regulations, plans, and inspections. In organizing for concrete implementation, rights and power, together with responsibilities, will be shared among ministers, heads of branches, provincial governors, and municipal mayors. Provincial governors and municipal mayors are empowered to direct the use of the budgetary expenditures in their respective provinces and municipalities in accordance with the budgetary plan as endorsed by the National Assembly.

At the same time, the Finance Ministry will study and submit to the government for endorsement decrees on rights and duties to request for budgets and on a number of regulations. After studying for a period of time, the government will then present the decrees to the National Assembly for consideration and endorsement. The National Assembly will afterwards put them into enforcement as law on the budget and other laws or regulations on the finances.

I, therefore, would like to present to the National Assembly session for consideration and endorsement the results of the implementation of the budget in the nine months of 1992 and the draft budget for the 1992-93 fiscal year with the following estimated figures for implementation: 124.13 billion kips the amount of revenues to gain from internal sources; 100 billion kips the amount of revenues to balance the budget; and 224.25 billion kips the amount of estimated expenditures.

At the same time, I would like to ask all distinguished members of the National Assembly to, together with the government, explain and publicize to businessmen and multiethnic people in all localities the economic and financial line, plans, and policy of the government.

I wish this inaugural session Third National Assembly glorious success. Thank you. [applause]

Paper Hails Inaugural Assembly Meeting

BK0303094193 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 26 Feb 93

[26 February PASASON editorial: "The Third National Assembly Inaugural Session Closes With Glorious Success"]

[Text] The inaugural meeting of the Third National Assembly opened on 20 February and closed with glorious success yesterday afternoon, 25 February. It was held in Vientiane—capital of the Lao People's Democratic Republic [LPDR]—under the chairmanship of Thongsing Thammavong, acting chairman of the Second Supreme People's Assembly [SPA], and Saman Vignaket, chairman of the Third National Assembly. Top party and state leaders—Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister, and Nouhak Phoumsavan, president of the LPDR—Political Bureau members of the Party Central Committee, all 85 National Assembly members, government officials, representatives of people of all strata, intellectuals, personages, members of the diplomatic corps, and representatives of international organizations were invited to attend the historic meeting.

After scrupulously studying and discussing each issue in the active six-day meeting, the delegates unanimously endorsed the main documents. This included the National-level Election Committee report on the success of the election and on the certified qualifications of Third National Assembly members. The meeting elected Saman Vi-gnaket as chairman of the Third National Assembly. It also elected vice chairmen, Standing Committee members, and various commissions of the National Assembly. In addition, it endorsed the appointment of the Interparliamentary Committee of the LPDR. The meeting reelected Nouhak Phoumsavan, Political Bureau member of the Party Central Committee, as president of the LPDR. This was proposed by Saman Vi-gnaket, chairman of the Third National Assembly. The meeting also discussed and approved the appointment of Khamtai Siphandon as prime minister of the LPDR, as proposed by President Nouhak Phoumsavan. It also approved the structure of apparatuses of the new government as proposed by Prime Minister Khamtai Siphandon. The meeting heard and discussed the government's 1993 socioeconomic development plan and that for the years to come. It also discussed and endorsed the 1993 state budget plan and unanimously endorsed the law on the Third National Assembly.

The inaugural meeting of the Third National Assembly, which opened and closed with glorious success, was a political event of great significance. It reflected the new changes in the organization and activities of the National Assembly. It also marked a new change in the LPDR political system, which will turn the legislative organization into an institute with the highest rights and power of the state, and one serving the people's rights and interests. The change will also strengthen the legislative organization, which is capable of successfully fulfilling its duty and responsibilities in efficiently controlling the executive and juridical organizations to gradually build the LPDR into a law abiding state.

The success of this inaugural meeting is a result of the contribution of the assembly members who gave wide, positive, and responsible views democratically. The views clarified many issues relating to the destiny of the nation and interests of the people. The members also made many realistic proposals and raised many issues on national development and the earnest aspirations of the multiethnic people in each locality for the consideration and resolution of the executive organization. At the same time, they deliberated on ways to settle economic and social problems. They also raised their spirit of responsibility as representatives of the people, together with organizations and institutes with the roles of inspecting state offices; effectively enforcing various laws, rules, and regulations in the management of the state and society; and to be examples in carrying out activities to encourage the multiethnic people of all strata to unite in translating the nation's restructuring policy into reality.

To effectively implement the various documents endorsed by the the assembly session, all compatriots are required to enhance the spirit of being owners of the country and firmly promote and expand the rights to self-mastery while always upholding internal and international solidarity, with the spirit of increasing friends and reducing foes. This is the source of our strength, so that we can march forward to accepting and fulfilling, with new success, the aforesaid difficult and heavy duties. To translate into reality the various party and government resolutions, plans, line, and policies as well as the various regulations and laws endorsed by the National Assembly, all citizens are required to take part in implementing the contents and spirit of the inaugural meeting of the Third National Assembly.

In its resolution, the meeting called on all compatriots from all strata, tribes, and economic sectors, both under state and private sectors, to cooperate in implementing the government's socioeconomic development plan in the years to come. This is to bring about the continual development of the nation's socioeconomy and the gradual improvement of the living conditions of the people. The meeting also called on all organizations and localities to cooperate in taking care of the health of mothers and children by providing them with vaccination against diseases and increasing the number vaccinated. The meeting called on compatriots of all tribes, including overseas Lao residents, to strengthen unity in order to build and defend the country together, to gradually enrich and strengthen the nation and to make a more plentiful and prosperous new life for our people.

The meeting also expressed its unanimous determination to be honest and loyal to the nation, the people, and the new regime and to continue to implement the party's restructuring policy and the constitution of the LPDR with a view to ensuring the broadening and implementation of the citizens' democratic rights. In addition, the meeting expressed their determination to worthily contribute in participating in international activities in the interest of peace, independence, friendship, and cooperation.

Leaders Receive Congratulatory Messages

BK0303121793 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 1 Mar 93

[Text] During the first session of the National Assembly from 20 to 25 February, Nouhak Phoumsavan was elected as president of the Lao People's Democratic Republic. Meanwhile, Khamtai Siphandon was reelected as the prime minister and Saman Vi-gnaket became the National Assembly chairman.

On this occasion, our leaders have received congratulatory messages from leaders of several friendly countries.

SRV President Le Duc Anh's message to Nouhak Phoumsavan read: I firmly believe that under the Lao People's Revolutionary Party's [LPRP] leadership and your's with your long revolutionary experience, the fraternal Lao people will register greater achievements in the restructuring, defense, and reconstruction of a peaceful, independent, democratic, united, and prosperous country.

SRV Premier Vo Van Kiet's message to Khamtai Siphandon read: I firmly believe that with your capability and experience, you comrade will lead the government and multiethnic Lao people to victoriously fulfill the restructuring task of the LPRP.

PRC President Yang Shangkhun's message to Nouhak Phoumsavan said: I am confident that under your presidency, friendly relations and cooperation between our two countries and peoples will continue to expand on the basis of the five principles of peaceful coexistence.

PRC Premier Li Peng's message to Khamtai Siphandon read: I firmly believe with the endeavors of both sides, the friendly and close neighborly relations and mutually beneficial cooperation between our countries will expand to a new level.

The message from Wan Li, chairman of the Standing Committee of the PRC National People's Congress, to Saman Vi-gnaket read: I firmly believe that friendly relations and cooperation between the national assemblies and peoples of our two countries will be further improved and expanded.

PRC Foreign Minister Qian Qichen's message to new Lao foreign minister Somsavat Lengsavat read: With you as the foreign minister, cooperation between our two countries in the international affairs will be futher strengthened and expanded.

DPRK President Kim Il-song's message to Nouhak Phoumsavan read: Your election as the president of the LPDR by the third National Assembly is proof of the respect and trust the people have in you, comrade. I firmly believe that the friendly relations and traditional cooperation between the peoples of our two countries will be futher enhanced and expanded.

The message from (Kang Sun-san), premier of the DPRK State Administration Council, to Khamtai Siphandon read: I extend my wholehearted congratulations to you comrade on your reelection as prime minister of the LPRP.

The message from (Li Kiso), chairman of the DPRK Supreme People's Assembly, to Saman Vi-gnaket read: I firmly believe the friendly relations and cooperation between our people's supreme council and your National Assembly will be further developed.

DPRK Foreign Minister Kim Yong-nam also sent a congratulatory message to Somsavat Lengsavat.

Philippines

Japan To Present Aid Package During Ramos Visit

HK0303051893 Manila BUSINESS WORLD in English 3 Mar 93 p 1

[Report by Jose G. Ebro]

[Excerpt] Japan will be presenting a $1-billion financial package to President Fidel Ramos when he visits Tokyo next week, a source within the diplomatic community disclosed.

"There are a lot of last-minute discussions. The loose ends are being tied up but the ballpark figure will be a billion dollars for the 18th yen loan package," the source told Business World.

Not since the Philippine Assistance Program's first pledging session in 1989 has such a generous amount been committed by Japan to the Philipines. Slippages in utilization rates resulted in drastic ODA [official development assistance] cuts every year since 1989.

Envoy to Tokyo Domingo Siazon, in a previous interview, said that after "running third in Japanese ODA priorities since 1986, the Philippines, in 1989, dropped to fifth because of our absorptive problems." (see Business World, Feb. 24)

He had warned that unless absorptive capacity was improved, the Philippines could lose a significant share of the $75-billion global ODA figure Japanese Prime Minister Kiichi Miyazawa is expected to unveil at the G7 summit.

The problem has largely been attributed to the lack of counterpart funding. Government officials have claimed that despite a desire on their part to allocate more of the budget to this area, in order to speed up project implementation, the International Monetary Fund-imposed spending ceilings will not allow them to do so.

While refusing to confirm the billion-dollar figure for the 18th yen package, a ranking National Economic and Development Authority [NEDA] official yesterday told Business World that new, "dramatic and creative approaches are being taken to address the lack of counterpart funding."

"We are going to tap the private sector for the counterpart funds," the NEDA official said. "We will have a modification of the build-operate-transfer (BOT) scheme. The private sector, whether foreign or local, will put up the equivalent amount of what should have been the Philippine Government's share of total project cost," he explained, "and will be entitled to earn proceeds from the finished project."

This will be applicable to such infrastructure programs as roads, bridges, telecommunications, transportation and power generation. "There are discussions now going

on with the Japanese Exim Bank and with the Japanese Ministry of Trade and Industry to get them to extend guarantees for this sort of undertaking," the NEDA official said. The private sector partner will have to bear the currency devaluation risk, however. [passage omitted]

Rebel Groups Dissatisfied With Pace of Talks

HK0303060593 Manila PHILIPPINE DAILY INQUIRER in English 3 Mar 93 pp 1, 11

[Report by Juliet M. Labog]

[Text] What is the government up to?

At least four of the major rebel groups have expressed dissatisfaction with the progress of the peace talks and now doubt the government's sincerity in seeking an end to the decades-old conflict.

The communist-led National Democratic Front [NDF] and the Muslim secessionist Moro National Liberation Front [MNLF] scored the government for the stalled exploratory talks with them.

The Rebolusyonaryong Alyansang Makabansa [RAM—Reform the Armed Forces Movement] and the Loyalist faction, with whom formal talks have begun, also have their own dissatisfactions with the government's handling of the process.

NDF leaders are suspicious over the delay in the government's decision to continue the exploratory talks begun six months ago.

Satur Ocampo, former NDF negotiator, has also questioned plans to extend a second time the term of the National Unification Commission [NUC].

Ocampo denounced the government's conduct of peace talks on the local level, which have resulted in some surrenders.

He cited Brig. Gen. Romeo Padiernos of the Civil Relations Service who said the government is talking with 57 communist leaders representing 10,000 New People's Army fighters.

"This confirms that the government is pursuing the line denounced by the NDF, a psywar intended to dismember the NDF and undermine the national level peace talks," Ocampo said at a peace forum of the Warriors for Peace at UP [University of the Philippines] yesterday.

"What is the government up to? Bakit napakatagal ng paghihintay? [Why is the wait taking so long?] What's cooking?," he said.

"May suspicion ang NDF ma minamaniobra ng NUC ang (nationwide) consultations para maipilit ang gustong programa ng gobyerno [The NDF is begining to suspect that the NUC is trying to manipulate the nationwide consultations so that it will fit the government's desired agenda]," he said.

Ocampo said an explanation is demanded on the president's extension for another 45 days, up to end of June, of the NUC's term when no request had been made for that.

RAM negotiators who attended the UP forum along with Ocampo, Rodolfo Salas, and Romulo Kintanar, also voiced disappointment with the government.

"Up to now wala pang ipinapakitang peace program ang gobyerno [The government has still to come up with a peace program]. They are probably not prepared. We could not even determine the relationship of the NUC with the government panel," said ex-Capt. Proceso Maligalig but added that he believes President Ramos is sincere.

"Kami ba ay ginagamit lamang for his (Ramos) personal presidential interest, na para bang sinasabi niya sa mga rebelda na 'mag-usap muna kayo diyan para matahimik habang ako'y nakikipag-usap sa ibang bansa [It is as if Ramos was using us for his own personal presidential interest, telling us to talk quiety among ourselves so that there wil be peace in the country while he is abroad]," said panel member Jess Paredes.

Ex-Capt. Danilo Lim, RAM spokesman said it is still premature to judge government's sincerity but that its ulimate test will come in the implementation of the results of the peace talks.

The RAM was the first rebel group to enter into formal talks with the government but the talks were suspended on the first day. RAM panel head Edgardo Abenina charged that the government panel, headed by UP law Prof. Alfredo Tadiar, had no authorization and that a preliminary peace agreement calling for, among others, the release of RAM detainees was violated.

The talks will resume today but Abenina said it would only involve procedural matters, not substantial topics.

A member of the Loyalist group of ex-Brig. Gen. Jose Ma. Zumel, when interviewed by the INQUIRER, also said his panel is not satisfied with the way the talks are going on.

Tadiar's panel is also negotiating with Zumel's group.

"Sabi namin sa kanila, mukhang hindi kayo handang makipag-usap. Ihanda n'yo muna ang sarili nyo [We told them that they were not prepared for the talks. Prepare yourselves for the talks first]," he said.

A resolution expressing the Zumel panel's position on the return of the Marcos remains was signed by the two panels but the loyalists complained that Tadiar referred the resolution to the NUC.

"Sayang lang ang oras. Kung Hindi din lang pwedeng gumawa ng action ang panel, eh di mabuti pa maglagay na lang sila ng drop box [Time is wasted. If the panel is unable to take action, it would be better if they just set-up a drop box]," he said.

Asked for comment, Tadiar told the INQUIRER his panel had transmitted the resolution to the president since it had no power to grant the rebel group's demand.

Tadiar also said his panel has now "evolved" and has made clear that it is under the president's authority and had nothing to do with the NUC.

He said the panel is only using the NUC secretariat since it had not been given its own budget.

The MNLF, like the NDF, is irked by the refusal of the government to pursue the exploratory talks with MNLF chairman Nur Misuari.

"Parang hindi sincere itong gobyerno, parang bumalik na ito sa usual attitude na paikot-ikot [It appears that this government is insincere about the talks. They have returned to their usual attitude of beating around the bush]," said a key MNLF personality who added that Misuari is now irritated.

"Noon, sila itong mapilit, ngayon wala na [Before, it was they who were insistent; now, they dilly dally]," he said.

MNLF officials who had come here as advance party for Misuari, he said, have returned to Jeddah.

Provincial Governor Injured in Bomb Blast

HK0203133593 Hong Kong AFP in English 1122 GMT 2 March 93

[Text] Zamboanga, Philippines, March 2 (AFP)—The governor of the southern Philippine province of Tawi-Tawi and three of his men were seriously injured early Tuesday when a bomb exploded aboard his boat while it was at sea, the military said here.

Governor Hadjiril Matba and his three political aides were flown to the provincial capital of Bongao after the blast, which inflicted heavy damage on the boat but failed to sink it, said Colonel Romeo Daranciang, a marine brigade commander. The nature of the men's injuries was not specified.

Daranciang said the explosion occurred off South Ubian island, 1,000 kilometers (600 miles) south of Manila. At the time of the blast, the group was island-hopping to campaign for the opposition in the March 25 election in the Autonomous Region of Muslim Mindanao. The brigade commander said the bomb could have been planted by Matba's political rivals.

Matba is supporting the opposition Laban Party in the election for governor of the autonomous region, which includes Tawi-Tawi and several other Muslim-populated provinces in the southern Philippines.

Matba's post is not up for election, but his party is campaigning against politicians allied to Philippine President Fidel Ramos.

Thailand

Spokesman Voices Support for Bosnia Airdrop

BK0303020593 Bangkok BANGKOK POST in English 3 Mar 93 p 3

[Text] Thailand supports the United States' airdrop of supplies over Bosnia, according to Foreign Ministry deputy spokesman Rawi Hongpraphat.

"Thailand supports attempts and operations to deliver aid by air to Muslims in Bosnia," he said and urged all parties not to shoot at US relief planes.

The US started dropping aid over Bosnia from Frankfurt, Germany, on Monday. The supplies included food and medicine.

Mr Rawi called for a peaceful solution to the situation in Bosnia and said that Bangkok supports the mission of the UN peacekeeping forces and relief operations to eradicate hardship of the Bosnians.

Serb armed forces have set up roadblocks to prevent relief supplies from reaching about 300,000 Muslims in Bosnia.

U.S. Ambassador Calls on Commerce Minister

BK0303081393 Bangkok NAEO NA in Thai 3 Mar 93 p 3

[Text] According to a source in the Commerce Ministry, U.S. Ambassador David Lambertson called on Commerce Minister Uthai Phimchaichon and discussed amendments to Thailand's Patent and Copyright Laws.

The Commerce Ministry told the U.S. ambassador that it was untrue that the Thai laws do not give sufficient protection to U.S. intellectual property. The minister said that Phachara Itsarasena, permanent secretary of the Commerce Ministry, will visit the United States from 19 to 23 March to give a factual explanation to the U.S. side on this issue.

It is anticipated that the permanent secretary will be asked by the U.S. side to include computer software under the protection of the Patent Law. Thailand is the only country in the world that regards computer software as literature work. However, the United States will have to lodge a complaint with a Thai court to have computer software covered by the Patent Law.

The U.S. side will also seek protection for video and music cassettes and the right of translation of U.S. books.

The source said: "The United States will probably ask Thailand to take legal actions against any violation of the

Patent Law, which should be regarded as criminal offenses, without waiting for someone to lodge a complaint with authorites."

Country 'Biggest Violator' of Cambodian Log Ban

BK0303021393 Bangkok BANGKOK POST in English 3 Mar 93 p 1

[Text] Thailand is the biggest violator of the Cambodian Supreme National Council's [SNC] log export ban, according to a confidential document prepared for the Prime Minister.

The document, drawn up by the National Security Council, shows that other Asian countries extract benefits from the Khmers' forest resources in the same manner.

The document was prepared after Prime Minister Chuan queried last month's allegation by the United Nations Transitional Authority in Cambodia (UNTAC) that Thailand is the largest recipient of wood smuggled out of Cambodia.

The logging business has continued in Cambodia despite the export ban because of the lack of a coordinated Khmer forest conservation policy, the document maintains.

While national administrators want to conserve their national forest resources, lower-ranking officials continue to extract "personal benefits" from the logging business, it says.

Quoting Thai intelligence, the document reveals that there are still several saw mills in Cambodia despite the ban on log exports. The exact number of mills, run by foreigners and Khmers in joint ventures is unclear.

The document quotes one intelligence report as saying there are seven mills in Cambodia, all operated by the Japanese. Four are at Phnom Penh port, one is in Kampong Cham and two are on board ships at Kompong Som Port.

Another intelligence report says there are five saw mills in Phnom Penh all operated by Japanese, 14 in Kompong Som, eight of which are operated by Japanese and six by Taiwanese, seven in Siem Riep, five in Battambang (Thai-Cambodian private sector joint ventures) and seven in Bantey Meanchey (also Thai-Cambodian joint ventures).

Despite the SNC's ban on logging from January 1 this year, exports of processed timber continue by sea to Japan and Singapore from Koh Kong and Kompong Som, to Vietnam, and to Thailand via Koh Kong to Trat Province.

The document says the number of saw mills in Cambodia has been put by "private companies" at 200, either run wholly by the Japanese or in joint ventures with other nationals.

It quotes the same sources as saying that all Khmer factions, and not the Khmer Rouge alone, benefit from the logging.

A top Cambodian leader is quoted as saying that while timber and processed wood have been allowed to be sent out of Cambodia to Vietnam unchecked, the enforcement of the SNC ban has been especially strict on the Thai border.

According to the document, wood smuggling from Cambodia continues daily from zones controlled by different Khmer factions.

For the first 16 days of January, more Cambodian wood was destined for Thailand than for any other Asian country.

On January 3 alone, 43,000 cubic metres of wood was smuggled out to Thailand. The shipment was transported on board 246 trucks from the Heng Samrin-controlled zone in Phra Vihear Province.

The other countries to which the Cambodian wood was smuggled out during the period include Vietnam, Laos, Pakistan, Japan and Hong Kong.

The document says that while the closure of the Thai-Cambodian border has been effective from the public relations point of view, a serious inspection of the border should be undertaken.

The document points out that while Thailand has been blamed for violating the SNC ban, the violation exists on other Cambodian border fronts and has not been committed on the Thai side of the border or by Thai private companies alone.

It suggests that the authorities collect information about the violations and inform the United Nations.

Border violence and businesses will continue as long as the SNC and the UN Transitional Authority in Cambodia lack the ability to maintain peace in Cambodia, the document concludes.

Prasong Visit to China Boosts Sino-Thai Ties

BK0303070193 Bangkok Radio Thailand Network in Thai 0530 GMT 3 Mar 93

[Text] According to Sub-Lieutenant Rawi Hongpraphat, the deputy director general of the Foreign Ministry's Information Department, Foreign Minister Squadron Leader Prasong Sunsiri's visit to China has raised Thai-Chinese relations to a very good level. The Chinese prime minister is elated at being able to receive Prime Minister Chuan Likphai on his upcoming official visit to China.

Rawi said the Chinese prime minister expressed concern about the current obstacles affecting a solution to the Cambodian problem. Thailand and China agreed that the Cambodian problem must be solved by the Cambodian people themselves along the lines of the Paris agreement and reiterated their support for the leadership of Prince Sihanouk in bringing peace and reconciliation to Cambodia. The region will develop and progress smoothly if the Cambodian problem is effectively resolved.

Rawi said the Chinese president expressed gratitude for the warm welcome he received during his official visit to Thailand two years ago as guest of the king. The president said the visit of every member of the Thai royal family contributed greatly to the promotion of friendship and good understanding between the two countries and their people. He hopes that such high-level visits will continue.

Saudi Government 'Satisfied' With Probe Results

BK0303034793 Bangkok THE NATION in English 3 Mar 93 p A1,2

[Text] The Saudi government has expressed satisfaction over the results of the Interior Ministry's inquiry into three Saudi cases, the Foreign Ministry's deputy spokesman Rawi Hongpraphat said yesterday.

The Saudi government wants to thank Thailand for its "sincerity and seriousness" in probing the cases which happened about three years ago, Rawi quoted Thailand's charge d'affaires in Riyadh, Thawatchai Piyarat, as saying.

Rawi, quoting a telegram the Foreign Ministry received from Thawatchai on Monday, said it was the first time that Saudi authorities had thanked Thawatchai for Thai attempts to solve the cases.

Director General Ahmed Momina of Saudi Arabia's Asia Department summoned Thawatchai over the weekend to inform the Thai diplomat that his government was satisfied with the results, announced last week, of Thailand's investigation into the murders in Bangkok of three Saudi diplomats, the disappearance and suspected murder of a Saudi businessman shortly thereafter and the theft of Bt500 million worth of jewellery from a Saudi palace, Rawi said.

"The Saudi government previously summoned Thawatchai to complain that Thai authorities were ignoring the three cases. But this time, the first in several years, it summoned the Thai envoy to thank him," Rawi said, reading from Thawatchai's telegram.

Thawatchai said he considered this to be a new start for Thai-Saudi ties after Saudi Arabia suspended the issue and extension of visas for Thai workers in retaliation for the murders of its diplomats.

The expression of satisfaction by the Saudi government came a few days after Interior Minister Gen Chawalit Yongchaiyut announced that the 1990 assassinations of the three Saudi diplomats were, like the murder of another Saudi diplomat in 1989, the work of foreign terrorists seeking revenge for the death of hundreds of pilgrims killed by Saudi security forces during a bloody riot in Mecca in 1987.

Chawalit also said a Thai policeman would be charged in the killing of the missing Saudi businessman, Muhammad al-Ruwayli.

Saudi Arabia's charge d'affaires in Bangkok, Muhaamad Sa'id al-Khujah, having been told several differing theories about the murders over the past three years, has asked Gen Chawalit to show him the supporting evidence within two weeks.

Meanwhile, the Foreign Ministry has reported the recent Saudi reaction to Minister Prasong Sunsiri who is in Beijing and to Deputy Minister Surin Phitsuwan who is in Africa.

Rawi said Riyadh is expected to invited Surin to Saudi Arabia soon but Thawatchai did not know exactly when.

Paper Bemoans Wrangling Over Budget Bill

BK0303023793 Bangkok BANGKOK POST in English 3 Mar 93 p 4

[Editorial: "Stormy Political Weather Ahead"]

[Text] The coalition government can be forgiven for heaving a sigh of relief now that the long overdue Budget Bill for the 1993 fiscal year has finally passed the deliberations of both the House and the Senate. The budget is now ready to be disbursed to various governmental organisations and departments for spending. Yet, the manner in which the Budget Scrutiny Committee wielded its authority to scrutinise the budget which led to protests against uneven reallocation of funds, especially the scandalous budget for the striped mosquito eradication programme and the hostile confrontational atmosphere in the House have created genuine cause for concern.

According to Article 117 of the Constitution, MPs are representatives of the Thai people and must perform their duty for the benefit of the public as a whole. But, apparently, the actions of some members of the Budget Scrutiny Committee have failed to live up to public expectations and shown them to be somewhat less than serious in their observance of the oath they swore when taking office. This was clearly seen in the way that they, by use of their wits, muscle-flexing or whatever means came readily to hand, managed to get an unusually large amount of additional funds from the 13 billion baht budget pool which was trimmed from the main budget and went to help their own constituencies. Of this uneven reallocation of budget, there is a 143 million baht fund for the Community Development Department for the eradication of striped mosquitoes which carry haemorrhagic fever. Altogether 29 MPs from both benches have registered requests for a share of the fund.

Prime Minister Chuan Likpai recently defended this by saying that the practice was not new. He also admitted that part of the problem was due to he fact that the committee chairman Finance Minister Tharin Nimmanhemin, has no experience in budget scrutiny despite his knowledge of economics and finance. Nevertheless, the committee cannot avoid taking blame for being unfair or for putting the interest of their constituencies before that of the country.

The Cabinet's decision yesterday to suspend the spending of the striped mosquito eradication budget pending an investigation represented a slap in the face for the committee. It should also serve as a lesson to the committee in the future that it must always give the public interest top priority in the performance of their duty.

Acrimonious exchanges, tirades, protests and walkouts are normal phenomena in a parliamentary system. The Thai Parliament is no exception but the remark made by Chat Thai MP Chai Chitchop of Buri Ram during the Budget Bill debate that the military should stage a coup was intolerable. Although it was done in a fit of anger as he later said, such an irresponsible remark should not have come from the mouth of an infant, much less a veteran politician.

Aside from Mr Chai's child-like outburst, the Opposition's frustration was obvious after its request to have the debate on the observations of the Budget Scrutiny Committee postponed until late last Sunday was outvoted by the government MPs who, apparently, did not want any further delay in the passage of the Budget Bill. This "uncompromising" position of the Government prompted the Opposition to change its tactics by moving up the debate on the FCI [First City Investment Company] case ahead of other issues marked for early debate. Again, this request was rejected by the Government. The result was a walkout by the Opposition and the abrupt closure of the House session for lack of a quorum as most Democrats stayed away from the House.

The coalition government has the Budget Bill passed. It may have outsmarted and outdone the Opposition in turning down all their requests. But by so doing, it has paid a price as well. The bill for the setting up of the Ministry of Labour was not debated and has to be further delayed. The issues of the drought and falling prices of farm products which are important to the farmers were also dropped. But more worrisome is the dissent it has provoked especially among the less hardline opposition members and the hostile confrontational atmosphere which now prevails as a result. Both the Government and the Opposition parties should be equally blamed for the zealous pursuit of their own interests at each other's expense.

The full effects of the chaotic events in the House have yet to manifest themselves. It is safe to say that they will not bode well for the general political climate.

Vietnam

Spokesman Rejects UNTAC Assertion on Vietnamese Troops

BK0203132593 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Mar 93

["Text" of statement by Foreign Ministry spokesman in Hanoi on 2 March—read by announcer]

[Text] In Phnom Penh on 1 March, the spokesman of the United Nations Transitional Authority in Cambodia [UNTAC] announced that UNTAC has discovered three Vietnamese, who served in the Vietnamese Armed Forces in Cambodia in the past, still in Cambodia and that they have been given Cambodian citizenship cards by the Phnom Penh government. These Vietnamese are married to and have children with Cambodian women. UNTAC considered these three persons as foreign forces and proposed that the Vietnamese Government accept their return as Vietnamese citizens.

Regarding this issue, the SRV Foreign Ministry spokesman is authorized to make the following statement:

1. Vietnam's unswerving policy is to strictly honor the Paris Peace accord and to seriously implement the accord's stipulations concerning Vietnam. Since 1982, Vietnam began withdrawing its troops from Cambodia. In September 1989, Vietnam completed its troop withdrawal from this country. It is Vietnam's attitude of goodwill that has created favorable conditions for the signing of the Paris agreement on a political solution to the Cambodian issue. Since then, Vietnam has never sent its troops back to Cambodia in any form whatsoever. In fact, UNTAC and Prince Sihanouk admitted on many occasions that no evidence has been found to indicate that there are still Vietnamese troops in Cambodia. Public opinion has also welcomed and recognized Vietnam's attitude of goodwill.

2. The issue on foreign forces in Cambodia has been stipulated in Article 8 of the Paris peace accord. On 9 September 1992, Mr. Akashi, chief of UNTAC, asserted UNTAC's official definition on foreign forces as follows: Foreign forces are groups of armed foreign people organized for a specific collective activity and are under the control and supervision of a foreign government.

There might be persons who used to be military personnel, but they were later discharged or retired and are now leading a civilian life. The most important thing is do they receive orders and instructions or are under the control of a foreign government?

A document of UNTAC dated 3 August 1992 on foreign forces and the UNTAC mission in Cambodia in the framework of the Paris peace accord also asserted the abovementioned definition and rejected the attempt to expand the definition of foreign forces in Cambodia, which is not in conformity with the objectives of the Paris peace accord.

As a result, the three abovementioned persons are not in the category of foreign forces in Cambodia. The UNTAC spokesman also admitted that these three persons, since 1983-85, have become civilians, married Cambodian women, and had children with these Cambodia women. They have also received Cambodian citizenship cards. They have become Cambodian of Vietnamese origin and they are not in the control of the Vietnamese state. Efforts to classify them as foreign forces and to send them to Vietnam are at variance with the spirit and letter of the Paris peace accord and UNTAC's definition. This effort also runs counter to the International Convention on Human Rights.

The Vietnamese Government resolutely rejects this classification and cannot accept their return.

3. The matter of prime concern is that the hostile forces to the implementation of the Paris peace accord, especially the Democratic Kampuchea, have vociferously alleged that there are still Vietnamese troops in Cambodia. They even cruelly massacred Vietnamese residents in Cambodia to conceal their wicked scheme to obstruct the implementation of the peace process in the country. The abovementioned erroneous classification only helps them to mislead public opion on the real cause of the complicated situation in Cambodia at present. This will also help them to undermine the peace process, which may result in very serious consequences. This act may also adversely affect UNTAC's prestige.

Vietnam contends that all signatory parties to the Paris peace accord as well as UNTAC must strictly and seriously implement this accord. It is imperative for parties concerned to force and prevent the Democratic Kampuchea from undermining the implementation of the peace accord in Cambodia.

Vietnam will continue and is ready to cooperate with UNTAC and parties concerned to implement the Paris peace accord on Cambodia for the interest of peace and stability in the region.

Hanoi, 2 March 1993.

Premier: UN Statement Aids 'Reactionary Forces'

BK0303103993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 2 Mar 93

[Text] On the afternoon of 2 March at the Presidential Palace, Prime Minister Vo Van Kiet received and had a cordial talk with His Excellency Chhong Toeng, charge d'affaires of the State of Cambodia in Vietnam, who paid a courtesy call on him. Prime Minister Vo Van Kiet congratulated His Excellency Chhong Toeng on his appointment as charge d'affaires of the State of Cambodia in Vietnam. He wished him success in the fulfillment of his task of serving as a friendship bridge between the Vietnamese and Cambodian peoples. The prime minister pointed out: The Vietnamese people follow with keen interest the situation in Cambodia and are pleased to note that despite numerous difficulties, the Cambodian Revolution continues to develop and that the Cambodian people have overcome challenges, firmly protecting the revolutionary gains and greatly contributing to the peace process in Cambodia. The prime minister asserted: No matter how complicatedly the situation may develop, the Vietnamese people will continue to be loyal and trustworthy friends to the Cambodian people. The Vietnamese Government and people have done and will do all they can to contribute to the peace process in Cambodia.

His Excellency Chhong Toeng expressed the honor he felt at being appointed charge d'affaires in Vietnam by the State of Cambodia. He solemnly conveyed Prime Minister Hun Sen's cordial regards to Prime Minister Vo Van Kiet. He introduced to the prime minister some key traits of the current situation in Cambodia and pointed out: Many difficulties still lie ahead. However, thanks to a correct revolutionary line and with the support and assistance of friendly nations, especially Vietnam, the Cambodian Revolution will certainly gain final victory. The Cambodian people will remember forever the great, effective assistance that the Vietnamese party, government, and people have reserved for the Cambodian Revolution as well as their earnest desire for genuine peace to be brought back in Cambodia.

His excellency the charge d'affaires asserted that whatever the situation, the Cambodian people will never change their sentiments toward the Vietnamese people, the relations between the two countries will be consolidated a step further, and the Cambodian state, government, and people will strive untiringly to make sure that those fine traditions continue to develop in the interest of the two countries and for the sake of peace, friendship, stability, and development in the region and other parts of the world.

Regarding the statement by a UNTAC [UN Transitional Authority in Cambodia] spokesman claiming that three Vietnamese still remain in Cambodia, Prime Minister Vo Van Kiet asserted: That wrong accusation only helps reactionary forces hinder the implementation of the Paris agreement and undermine the peace process in Cambodia, and henceforth, may adversely affect the prestige of UNTAC. More than anyone else, Vietnam and the State of Cambodia have seriously implemented the Paris agreement on Cambodia.

Khmer Rouge, Cambodian Peace Process Viewed

BK0303050193 Hanoi Voice of Vietnam in English 1000 GMT 2 Mar 93

[Station commentary]

[Text] The first phase of the preparation for the general election to be held in Cambodia this May has finally completed. [as heard] Up to now, more than 4.6 million voters and 20 provinces in Cambodia have registered for the election. However, public opinion in Cambodia and the world have nurtured a hope while (?it seems moving) about the final result of this election. Here is our radio's opinion.

A conference involving 30 countries has been held in Phnom Penh and the world financial organization has decided to contribute more than $880 million aid to Cambodia.

The conference also demanded that United Nations Transitional Authority in Cambodia [UNTAC] consolidates the efforts in coordinating foreign aid to Cambodia. Right after that, the UN forces in Preah Vihear, Northern Cambodia have tried to open two main communication roads to be accessed to the related group. However, according to Khmer Rouge's Ta Mok, a senior official of UNTAC command, is that it is difficult to open these two roads, especially the road from Rovieng to Kompongthom, which has always been provoked by the Khmer Rouge. [sentence as heard] Report said: Preah Vihear is still considered the number one target for the Khmer Rouge to occupy as a base against the new government to be set up in Phnom Penh following the coming election.

The Khmer Rouge, while still refusing to participate in the election, continues armed conflicts and land encroachment and violates the UN's resolution on restricted punishment and embargo against trading of timber and precious stones, are trying to act against Cambodian people, the UN, and countries, signatories of the Paris agreement on Cambodia.

Senator John Kerry of the Democratic Party, Massachusett State, has commented that it is impossible to tackle the Khmer Rouge problem. And Mr.(?Var Ur Jira), an international official on Cambodia, is suspecting the result of the coming election, because of the Khmer Rouge's opposition.

Commentary Decries KR Acts Against Vietnamese

BK0303034493 Hanoi Voice of Vietnam in English 1000 GMT 23 Feb 93

[Text] Last week, the Democratic Kampuchea or the Khmer Rouge [KR] made a ballyhoo about the so-called Vietnam's increasing military activities in Cambodia. At the same time, the Khmer Rouge continue to terrorize the massacre of Vietnamese residents in Cambodia. These activities (?recalled) of the campaign against the Vietnamese people in 1978 and 1979. Is it the recurrence of the suffering past? Here is our radio commentary.

Since July 1992, the Khmer Rouge has launched repeated terrorist acts and massacres against Vietnamese residents in Cambodia. Meanwhile, they have fabricated stories about the presence of Vietnamese troops and their military activities in Cambodia. This is a familiar maneuver of the Khmer Rouge to sidetrack the world public from their military activities against the Paris Agreement on Cambodia.

Moreover, it also helped them in the [word indistinct] and complicated struggle of different factions in Cambodia. Noteworthy is that the Khmer Rouge are using the lives of innocent Vietnamese residents in Cambodia in serving their dark scheme. Massacres of Vietnamese residents and other civilians in Cambodia have become Khmer Rouge policy. These barbarous activities are running counter to the present trend in the relation of (?friendship) as well as the interest of the Cambodian people.

Cambodian Prince Norodom Sihanouk has told Foreign Minister Nguyen Manh Cam that he denounced any forms of racial discrimination, first of all, massacres against foreign residents, especially the ordinary Vietnamese living in Cambodia.

The situation in Cambodia remains tense and explosive, causing harm to the normal relations between Vietnam and Cambodia and peace and stability in Southeast Asia. Countries concerned and the world public should condemn and stop Khmer Rouge terrorist and massacring acts against Vietnamese residents. Nonetheless, recent massacres become a prelude to a new tragedy.

Vice President Receives PRC Delegation

BK0203152793 Hanoi VNA in English 1454 GMT 2 Mar 93

[Text] Hanoi VNA March 2—Vice President Madame Nguyen Thi Binh received here today a delegation of the China-Vietnam Friendship Association led by its President Fu Hao on a visit to Vietnam.

Madame Nguyen Thi Binh noted that the China-Vietnam Friendship Association's visit to Vietnam is a manifestation of the strengthening of the relations between the two countries, thus contributing to further tightening the traditional neighbourliness between the Vietnamese and Chinese peoples.

For his part, President Fu Hao expressed his joy at the fine socio-economic development recorded by the Vietnamese people in the process of renovation.

State Bank Issues New Treasury Bills

BK2802062293 Hanoi VNA in English 0553 GMT 28 Feb 93

[Text] Hanoi VNA Feb 28—The State Bank reports that 905 billion dong (of nearly 90 million US dollars) worth of treasury bills were issued in December last year and January this year. Hanoi and Ho Chi Minh City accounted for 43 percent of the total.

Since the start of this year, the State Bank has issued treasury bills of 500,000 and one million dong in denominations. From April 1st, two new bills of five million and 50 million dong in denomination will be issued nationwide; the two new bills can be used for payments or money transfers only three times, then the State Bank will retrieve them and replace them with others of the same denominations.

Issues High-Denomination Bank Notes

BK0203074593 Hanoi VNA in English 0556 GMT 2 Mar 93

[Text] Hanoi VNA March 2—By decision of the prime minister, the State Bank of Vietnam today puts into circulation two new banknotes of big denominations, 20,000 and 50,000 dong. Earlier denominations range from 100 to 10,000 dong.

Answering questions of correspondents on this occasion, Mrs. Le Thi Ngot, duputy governor of the State Bank, said:

'The new banknotes will help form a balanced monetary structure convenient to the people and will not increase the volume of money in circulation. As for how much more money is to be added to circulation in each period, that will be decided by the prime minister on the basis of the national economic development plan and the socioeconomic policies already adopted by the National Assembly.

'In other words, the issuing and circulation of the two new banknotes essentially does not mean a change in the price policy nor will it affect the people's life'.

Hanoi Appraises Mass Mobilization Results

BK0103095793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Feb 93

[Text] The Hanoi Municipal Party and People's Committees and the Capital Military Region recently held a conference to appraise party committees' leadership role over military units participating in mass mobilization work.

During the past two years of implementing mass mobilization work, various military units have closely coordinated with echelons of the administration and mass organizations to build strong and firm villages and wards, engage in joint economic ventures, strengthen national defense and security work, oppose the enemy's peaceful evolution scheme, and carry out socioeconomic tasks in localities. Thanks to these efforts, initial yet encouraging achievements have been scored, thus enhancing the unity between the people and soldiers in the capital city. Due to these achievements, the image of Uncle Ho's soldiers has been restored and developed in the new situation.

Delegation Attends World Economic Forum

BK0303061193 Hanoi VNA in English 0548 GMT 3 Mar 93

[Text] Hanoi VNA March 3—A delegation led by Cabinet Minister Do Quoc Sam, head of the State Planning Commission, attended the 1993 session of the World Economic Forum held in Switzerland from Jan. 28-Feb. 2. The forum drew the participation of over 1,000 delegates, including 150 heads of state, prime ministers and ministers from 80 countries and over 800 representatives from corporations, research institutions and mass media. Themed on the recovery of the global economy, the forum focussed much of its discussions on the economic policy of the new U.S administration. Vietnam chaired the session for East Asian region, along with the Republic of Korea, Singapore, Malaysia and Thailand. Taking the floor, Minister Do Quoc Sam presented Vietnam's views on the economic situation and integration of the region. He also highlighted the successes of the renovation process in Vietnam as well as the Vietnamese Government's determination to continue this process with policies and measures aimed at making the economy more dynamic. Opinions at the forum highly valued Vietnam's successes in maintaining both the stability and a steady economic development while continuing its shift to a market economy. Minister Do Quoc Sam also attended many unofficial meetings of head delegates to review and evaluate the world situation and current issues such as employment, oil dependence and transitional economics. While in Switzerland, the Vietnamese delegation paid a courtesy visit to Swiss President Falvio Cotti.

Nationwide Agricultural Production Updated

BK0203102093 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Mar 93

[Text] According to the Ministry of Agriculture and Food Industry, by 25 February peasants throughout the country have completed the winter-spring rice transplanting in 2,213,620 hectares of land, thus fulfilling 94.4 percent of the target. The northern provinces have completed the rice transplanting in 994,100 hectares, thus accounting for 90.37 percent of the target.

Last week, the weather conditions in the north were unfavorable for agricultural production. The newly transplanted rice was slow to take root. The rice transplanting pace in the southern provinces was quicker compared with the same period last year with peasants completing the winter-spring rice transplanting in 1,219,520 hectares, thus fulfilling 98 percent of the target.

Hanoi, HCM City Record High Industrial Growth

BK2802064093 Hanoi VNA in English 0545 GMT 28 Feb 93

[Text] Hanoi VNA Feb 28—In January Hanoi's locally-run industrial sector grossed 9.865 billion dong in output value, registering a 43 percent increase over the same period last year. Meanwhile the state-run and privately-owned industries in Ho Chi Minh City grossed 432 billion dong, an increase of 8.2 percent over January 1992.

Thanks to continued investment in new equipment over the past few years, many products produced by city-owned enterprises in Hanoi sold well on the domestic market during the lunar new year festival, the biggest festivity in the capital city. Many garment, canvas and leather shoe enterprises won sufficient orders to keep their workforces busy.

Throughout the month [sentence as received]. So far, 28 of the 52 enterprises and trade unita [as received] under the management of the Hanoi Municipal Industrial Service Department have emerged from the prolonged recession that crippled many in the last two years. Six of the top producers have obtained relatively high turnovers including the Thong Nhat Electrical Machine Factory, the Thang Long Knitwear Enterprise and the October 10, and Minh Khai Textile Mills.

The rate of profitable businesses in HCM City was higher with 16 of the 19 industries recording a high growth rate in comparison with January last year. The industries having a growth rate of more than 20 percent included energy with 49 per cent, ferrous metallurgy, 26 per cent, electrical and electronic production and assembly, 38 per cent, tailoring, 45 per cent, leather and leather initation production, 57 per cent, ceramics and glassware, 30 per cent. In the private industrial sector, 13 of the [word indistinct] precincts and districts obtained a higher growth rate than January 1992.

Australia

Opposition Attacks New Spending Commitment

BK0203095293 Melbourne Radio Australia in English 0400 GMT 2 Mar 93

[Text] With less than two weeks before Australians go to the poll, the conservative opposition has formally launched its election campaign with a pledge to restore full employment, a strong defense of its proposed goods and services tax [GST], and no new spending commitments. In an unusual move, the Liberal Party campaign launch used the experiences of five so-called ordinary Australians to highlight the effects of the current economic recession for which the opposition blames the ruling Labor government. National affairs correspondent Kate Wall with the details.

[Begin recording] [Wall] The campaign opening of the opposition Liberal Party was nearly as low key as last week's by the government. There were no slogans or banners bedecking the stage in a church hall in the center of Sydney. But whereas there was no Australian flag near the pro-republican prime minister Paul Keating, the opposition leader John Hewson stood between two Australian flags although he didn't repeat earlier statements that he strongly favored retaining the British Union Jack in the corner of the Australian flag. Dr. Hewson told about 400 party faithful that the March 13 election was about restoring hope to Australia's future generations and the victims of what he described as a totally unnecessary recession which Australia, like most industrialized countries in the West, is experiencing. Five so-called real people including an unemployed welder, a farmer, and a hairdresser were paraded before the audience to tell of their recession experiences. One was close to tears as she recounted a failed attempt by she and her husband to start a small business.

[Unidentified woman] The pressures of the extra work in trying to pay the bills and the stress it caused in the family, finished our marriage. I have been separated for 11 months and it has a big effect on our children. And here I am on the (?paysheet) wanting to start all over again.

[Wall] The other four had their own tales of woe, some of which were far remote from policies of the government, but they set the tone for Dr. Hewson's 50-minute speech, which strongly criticized the 10-year-old Labor government's economic record. In a pledge he may live to regret, Dr. Hewson said that if elected he would never accept anything less than full employment. While the current jobless rate of nearly 11 percent is close to a record, Australia even in the boom time of the mid-80's had around 6 percent of the population unemployed. Dr. Hewson also attacked the new spending commitments of Prime Minister Paul Keating during this campaign, even though the coalition's policies include a billion dollars in new spending.

[Hewson] We all want to give $75 million to the arts. I'd like to give $150 million to the arts. And I like to put a lot more money into the environment and a lot more money into training and education but we have to raise our productive capacity to do it. Let's say Labor has never understood that. After so many years in government, after 10 years of having their way, after 10 years of the current prime minister claiming that he has the treasury in his pocket, the reserve bank in that pocket, and he pulled all the levers. After 10 years, there's one conclusion and one conclusion only we can draw. Because of (?the plot), all he's got left is a negative campaign, a scare campaign. Well, let me tell you there is nothing more frightening, there is nothing more scary than another three years of a Labor government. [applause]

[Wall] Dr. Hewson strongly defended his controversial 15 percent GST which will be introduced 18 months after a coalition victory. This has become the focus of the government's campaign and in the weeks since labor intensified its attack on the proposed GST, its fortunes in opinion polls have improved but not enough to overtake the coalition. It was a polished performance by the opposition leader who is looking more and more confident by the day. With just 12 days to the election, it would seem the Liberals and the coalition partners only have to make sure they make no major blunders that would prevent a change of government. [end recording]

Opposition Criticizes Labor's Immigration Policy

BK0303102293 Hong Kong AFP in English 0828 GMT 3 Mar 93

[By Tim Cribb]

[Text] Melbourne, Australia, March 3 (AFP)—The integrity of Australia's immigration policy has been harmed by inefficient administration in the past decade of Labor rule, conservative opposition leader John Hewson said here Wednesday. Hewson told a news conference for the ethnic media that the immigration policy of his Liberal-National coalition, should it win the March 13 poll, would help make Australia a better place for migrants "to fulfill their dreams". But that could only be achieved with a significant cut in immigration in the short term to redress economic problems created by Prime Minister Paul Keating and his predecessor Bob Hawke since Labor was first elected in 1983, Hewson said.

Immigration numbers would not be increased until the economy showed a significant and sustained improvement in such areas as unemployment and foreign debt. Even then, the focus of migrant intake would be towards those with skills and qualifications "most appropriate" to Australia's Labor market requirements. And new settlers would be denied unemployment and medical benefits for two years from arrival, the intention being that intending migrants be able to contribute to the economy rather than detract from it.

Hewson cited high levels of unemployment among new settlers of 36.4 percent—against a national rate of 10.9 percent—as the main reason for the proposed restriction.

"The low skilled, low English speaking migrant has been predominant on our unemployment lists," he said. He said a refugee and humanitarian intake would not be affected but rather dealt with separately from migration assessments. The coalition was concerned about "alarming delays in the processing of refugees" under Labor with a backlog of more than 20,000," Hewson said.

Illegal immigration had also been a problem, as had inadequacies in the business migration scheme, and there had been a number of "emotional...political decisions," most notably that of granting temporary residency to Chinese students in the wake of the 1989 Beijing massacres.

"We believe the integrity of our immigration program has been seriously undermined in the course of the Hawke-Keating years," Hewson said.

Maintenance of Australia's "multicultural society" would be a priority but only within the context of respect for laws and responsibilities as an Australian citizen. He said the question of dual citizenship would be dealt with under a wide ranging dialogue on citizenship, as would the often sensitive issue among migrants coming from republics of their having to swear allegiance to the British monarch as Australia's constitutional head of state.

Hewson said he supported the debate led by former governor-general Sir Ninian Stephens's constitutional review committee, and accepted the need for a bipartsan referendum on constitutional reform by 2001, the centenary of Australia's becoming a self-governing and independent federation under the British Crown.

The issue of whether or not Australia should become a republic, he said, would be dealt with in the context of that debate and not as some political issue—a reference to Keating's occasional calls for a final break with Britain.

"Until then, migrants must accept the constitution as it stands," Hewson said.

Papua New Guinea

Soldiers' Families Call for Policy Change

BK0203060093 Melbourne Radio Australia in English 0500 GMT 3 Mar 93

[Text] The wives and dependents of Papua New Guinea [PNG] soldiers on active service in Bougainville have called for the withdrawal or all-out war against the separatists. They made their call during a meeting with the Defense Forces chief of staff at (Murray) Barracks. More than 100 wives and dependents presented him with a petition calling on the government to change its policies in the struggle with the separatists. They demanded a response from the government and the Defense Department within seven days.

The Defense Force chief of staff, Colonel Bau Maras, assured the women that their concerns would be taken to the minister for defense and then to the cabinet for consideration. The bodies of the eight PNG soldiers killed by Bougainville rebels arrived in Port Moresby last Friday to grief stricken relatives demanding an explanation.

Vanuatu

President in Poor Health; May Have Leukemia

BK2502074893 Hong Kong AFP in English 0643 GMT 25 Feb 93

[Text] PORT VILA, Feb 25 (AFP)—The people of Vanuatu have been asked to pray for the recovery of President Fred Timakata, who officials said had blood transfusions in New Zealand's Auckland Hospital last week for an undisclosed illness. Reliable sources here have indicated the president may have leukaemia. The government-controlled radio service said Timakata, 56, is currently undergoing two weeks of medical treatment in Auckland.

The president's private secretary, Pastor Pakoa Maraki, said in a statement to government-run radio that Timakata had a transfusion after diagnosis that his red cell count had dropped. The radio also reported that some of the president's teeth might have to be removed to stop the red blood cells' decrease. Without disclosing the nature of his illness, Maraki asked the people of Vanuatu to pray for their head of state's recovery. Timakata, president of Vanuatu since 1989, underwent three weeks of treatment in Auckland last August when doctors described his condition as "serious".

First Independent Weekly Newspaper Published

BK0303101093 Hong Kong AFP in English 0844 GMT 3 Mar 93

[Text] Port Vila, March 3 (AFP)—The first issue of Vanuascope, a bilingual private weekly newspaper, went on sale here Wednesday, describing itself as the only independent publication in the Pacific island state.

The eight-page newspaper covers world, Pacific and local news in French and English and was launched with the approval of the first secretary in the prime minister's office, Father Gerard Leymang, under the government's "freedom of press" policy. Vanuascope's rivals are the government-controlled Vanuatu Weekly and the organs of the opposition Vanuaaku Pati headed by Donald Kalpokas, and of the National United Party, led by former prime minister Walter Lini.